

HOUSE OF REPRESENTATIVES—Tuesday, September 24, 1985

The House met at 12 o'clock noon and was called to order by the Speaker pro tempore [Mr. FOLEY].

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
September 19, 1985.

I hereby designate the Honorable THOMAS S. FOLEY to act as Speaker pro tempore on Tuesday, September 24, 1985.

THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O God, teach us how we can be Your people, not only in Heaven above, but by kindness and acts of concern to those near to us. Show us, gracious God, how we can do Your will by works of service and healing and love and justice wherever we are. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

HOUSE ACTION ON NUCLEAR TEST BAN PROPOSAL

(Mr. FASCELL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FASCELL. Mr. Speaker, it is my intention to bring House Joint Resolution 3 to the floor of the House for consideration during the first week in October.

House Joint Resolution 3 is a simple, straightforward resolution that attempts to slow the arms race through limitations on nuclear testing.

The resolution urges the President to fulfill two commitments the United States has already made. It urges the President:

First, to seek ratification of two testing limitation treaties we have already signed, the Threshold Test Ban Treaty [TTBT] and the Peaceful Nuclear Explosions Treaty [PNET] which limit nuclear testing above 150 kilotons; and

Second, to propose to the Soviet Union the immediate resumption of negotiations toward a verifiable comprehensive test ban treaty [CTBT], a goal of every administration since Eisenhower, including the Reagan administration.

In the past few years, momentum has been building in the Congress in support of the principles outlined in House Joint Resolution 3.

Last year, the other body, in an amendment to the Defense authorization bill, approved the exact language of House Joint Resolution 3. This measure passed by a strong vote of 77 to 22.

More recently, in a bipartisan effort last May, the Committee on Foreign Affairs marked up and approved House Joint Resolution 3. Currently, the resolution has over 200 cosponsors.

In our view, House Joint Resolution 3 is a modest arms control proposal fully in keeping with the arms control goals of this administration in the Geneva talks. The United States and the Soviet Union are talking now about ways to reduce our offensive arsenals. House Joint Resolution 3 provides an opportunity to extend the current talks to include a discussion of a ban on nuclear testing. Such a ban would prohibit the introduction of new nuclear weapons into United States and Soviet arsenals.

Reducing the numbers of our nuclear weapons remains a preeminent goal of U.S. arms control policy at the Geneva negotiations. Negotiations on a comprehensive test ban treaty would simply complement the Geneva process.

It is important to remember that while this resolution urges the President to resume negotiations on a comprehensive test ban treaty, it does not dictate the parameters of those negotiations. That is left to the negotiators. The resolution simply urges that negotiations on a comprehensive test ban treaty begin now.

House Joint Resolution 3 further urges ratification of two existing testing treaties, one signed by President Nixon in 1974 and the other signed by President Ford in 1976. Ratification of these treaties would result in an enhanced degree of cooperation that would greatly improve our ability to verify Soviet compliance with these treaties and would set the stage for negotiations on a verifiable comprehensive test ban treaty.

And finally, House Joint Resolution 3 represents a viable and practical manifestation of U.S. Government ad-

herence to the Nuclear Non-Proliferation Treaty which expresses the obligation of signatories to bring an end to the arms race.

By virtue of the widespread support in the Congress for this measure, I am seeking a modified closed rule, with 2 hours of general debate on House Joint Resolution 3 and 2 hours of debate on one minority substitute.

I urge my colleagues to support House Joint Resolution 3 when it comes to the floor for consideration.

CARGO PREFERENCE AMENDMENT TO FARM BILL

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SMITH of Nebraska. Mr. Speaker, in H.R. 2100, the Food Security Act of 1985, the House Agriculture Committee proposed compromise language that exempted the commercial export promotion programs from cargo preference requirements, while allowing for continued application of cargo preference to food aid shipments.

Late last week, the Merchant Marine and Fisheries Committee removed this language from the bill, blocking the opportunity for any reasoned compromise on this issue. If maritime interests have their way, cargo preference will be expanded from Food-for-Peace shipments to all the commercial programs. If the Bedell amendment to the farm bill is retained and requires Government export subsidies on grain, this may mean the expansion of cargo preference to all of our wheat and feed grain shipments.

Mr. Speaker, the agriculture community was ready and willing to compromise, as laid out in the House Agriculture Committee's version of H.R. 2100. But when the other side of the table is unwilling, we have no alternative but to try to "shoot the whole bear," to remove the costly, export killing yoke of cargo preference from American agriculture, once and for all.

For this reason, today I am publishing in the CONGRESSIONAL RECORD an amendment to H.R. 2100 that would exempt all agricultural exports from cargo preference requirements. Then we can truly get on with the business of returning our farmers to the world marketplace.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Boldface type indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

REPORT FILED BY COMMITTEE ON STANDARDS OF OFFICIAL CONDUCT

(Mr. DIXON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DIXON. Mr. Speaker, I take this time to inform Members that the Committee on Standards of Official Conduct filed a report on Thursday, September 19, on the results of the committee's preliminary inquiry regarding an alleged improper political solicitation. Members may recall that the matter had earlier been raised during floor discussion on July 10, 1985.

The committee feels that the results of this preliminary inquiry should be made public because virtually every Member is associated with some local, State, or national organization which solicits political contributions. Thus, the committee believes that the subject report should be useful and serve as guidance to all Members or organizations which may seek such contributions.

The committee's report emphasizes the need for any organization involved in political fundraising efforts to institute such procedural safeguards as are necessary to avoid any question that it is acting in accordance with those laws governing political solicitations and for all Members to avoid any use of official space or resources for the preparation or dissemination of materials seeking political contributions.

It is the hope of this Member that all Members will take the time to read the report so that issues of this nature do not arise in the future.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair desires to announce that pursuant to the provisions of clause 5 of rule I, the Chair will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Thursday, September 26, 1985.

COLORADO RIVER FLOODWAY PROTECTION ACT

Mr. COELHO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1246) to establish a federally declared Floodway for the Colorado River below Davis Dam, as amended.

The Clerk read as follows:

H.R. 1246

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Colorado River Floodway Protection Act".

FINDINGS AND PURPOSES

SEC. 2. (a) FINDINGS.—The Congress finds that—

(1) there are multiple purposes established by law for the dams and other control structures administered by the Secretary of the Interior on the Colorado River;

(2) the maintenance of the Colorado River Floodway established in this Act is essential to accomplish these multiple purposes;

(3) developments within the floodway are and will continue to be vulnerable to damaging flows such as the property damage which occurred in 1983 and may occur in the future;

(4) certain Federal programs which subsidize or permit development within the Floodway threaten human life, health, property, and natural resources; and

(5) there is a need for coordinated Federal, State, and local action to limit Floodway development.

(b) PURPOSE.—The Congress declares that the purpose of this Act are to—

(1) establish the Colorado River Floodway, as designated and described further in this Act, so as to provide benefits to river users and to minimize the loss of human life, protect health and safety, and minimize damage to property and natural resources by restricting future Federal expenditures and financial assistance, except public health funds, which have the effect of encouraging development within the Colorado River Floodway; and

(2) establish a task force to advise the Secretary of the Interior and the Congress on establishment of the Floodway and on managing existing and future development within the Floodway, including the appropriateness of compensation in specified cases of extraordinary hardship.

DEFINITIONS

SEC. 3. (a) The term "Committees" refers to the Committee on Interior and Insular Affairs of the United States House of Representatives and the Committee on Energy and Natural Resources of the United States Senate.

(b) The term "financial assistance" means any form of loan, grant, guaranty, insurance, payment, rebate, subsidy, or any other form of direct or indirect Federal assistance other than—

(1) general revenue-sharing grants made under section 102 of the State and Local Fiscal Assistance Amendments of 1972 (31 U.S.C. 1221);

(2) deposit or account insurance for customers of banks, savings and loans associations, credit unions, or similar institutions;

(3) the purchase of mortgages or loans by the Government National Mortgage Association, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation;

(4) assistance for environmental studies, plans, and assessments that are required incident to the issuance of permits or other authorizations under Federal law; and

(5) assistance pursuant to programs entirely unrelated to development, such as any Federal or federally assisted Public Assistance Program or any Federal Old-Age, Survivors, or Disability Insurance Program.

Such term also includes flood insurance described in sections 1322 (a) and (b) of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4028) on and after the

dates on which the provisions of those sections become effective.

(c) The term "Secretary" means the Secretary of the Interior.

(d) The term "water district" means any public agency providing water service, including water districts, county water districts, public utility districts, and irrigation districts.

(e) The term "Floodway" means the Colorado River Floodway established in section 5 of this Act.

COLORADO RIVER FLOODWAY TASK FORCE

SEC. 4. (a) To advise the Secretary and the Congress there shall be a Colorado River Floodway Task Force, which shall include representatives of—

(1) each State (appointed by the Governor) and Indian reservation in which the Floodway is located;

(2) each county in which the Floodway is located;

(3) one law enforcement representative from each county in which the Floodway is located;

(4) each water district in which the Floodway is located;

(5) the cities of Needles, Parker, Blythe, Bullhead City, Yuma, Laughlin, Nevada (if and when incorporated), and Mojave County, Arizona Supervisor District Numbered 2 (chosen by the board of supervisors);

(6) one representative of the chamber of commerce from each county in which the Floodway is located;

(7) the Army Corps of Engineers;

(8) the Federal Emergency Management Agency (FEMA);

(9) the Department of Agriculture;

(10) the Department of the Interior; and

(11) the Department of State.

(b) The task force shall be chartered and operate under the provisions of the Federal Advisory Committee Act (Public Law 92-463; 5 U.S.C. App. I) and shall prepare recommendations concerning the Colorado River Floodway, which recommendations shall deal with—

(1) the means to restore and maintain the Floodway specified in section 5 of this Act, including, but not limited to, specific instances where land transfers or relocations, or other changes in land management, might best effect the purposes of this Act;

(2) the necessity for additional Floodway management legislation at local, State, and Federal levels;

(3) the development of specific design criteria for the creation of the Floodway boundaries;

(4) the review of mapping procedures for Floodway boundaries; and

(5) whether compensation should be recommended in specific cases of extraordinary hardship resulting from impacts of the 1983 flood on property outside the Floodway which could not reasonably have been foreseen.

(c) The task force shall exist for at least one year after the date of enactment of this Act, or until such time as the Secretary has filed with the Committees the maps described in subsection 5(b)(2). The task force shall file its report with the Secretary and the Committees within nine months after the date of enactment of this Act.

COLORADO RIVER FLOODWAY

SEC. 5. (a) There is established the Colorado River Floodway as identified and generally depicted on maps that are to be submitted by the Secretary.

(b)(1) Within eighteen months after the date of enactment of this Act, the Secretary, in consultation with the seven Colorado River Basin States, represented by persons designated by the Governors of those States (including, in the Governor's discretion, members of the Colorado River Floodway Task Force), and any other interested parties shall—

(i) complete a study of the tributary floodflows downstream of Davis Dam; and

(ii) define the specific boundaries of the Colorado River Floodway so that the Floodway can accommodate either a one-in-one hundred year river flow consisting of controlled releases and tributary inflow, or a flow of forty thousand cubic feet per second (cfs), whichever is greater, from below Davis Dam to the Southerly International Boundary between the United States of America and the Republic of Mexico.

(2) As soon as practicable after the determination of the Floodway boundary pursuant to this subsection, the Secretary shall prepare and file with the Committees maps depicting the Colorado River Floodway, and each such map shall be considered a standard map to be adhered to by all agencies and shall have the same force and effect as if included in this Act, except that correction of clerical and typographical errors in each such map may be made. Each such map shall be on file and available for public inspection in the Office of the Commissioner of the Bureau of Reclamation, Department of the Interior, and in other appropriate offices of the Department.

(3) The Secretary shall provide copies of the Colorado River Floodway maps to (A) the chief executive officer of each State, county, municipality, water district, Indian tribe, or equivalent jurisdiction in which the Floodway is located, (B) each appropriate Federal agency, including agencies which regulate Federal financial institutions, and (C) each federally insured financial institution which serves the geographic area as one of its primary markets.

(c)(1) The Secretary shall conduct, at least once every five years, a review of the Colorado River Floodway and make, after notice to and in consultation with the appropriate officers referred to in paragraph (3) of subsection (b), and others, such minor and technical modifications to the boundaries of the Floodway as are necessary solely to reflect changes that have occurred in the size or location of any portion of the floodplain as a result of natural forces, and as necessary pursuant to subsection (c) of section (7) of this Act.

(2) If, in the case of any minor and technical modification to the boundaries of the Floodway made under the authority of this subsection, an appropriate chief executive officer of a State, county, municipality, water district, Indian tribe, or equivalent jurisdiction to which notice was given in accordance with this subsection files comments disagreeing with all or part of the modification and the Secretary makes a modification which is in conflict with such comments, the Secretary shall submit to the chief executive officer a written justification for his failure to make modifications consistent with such comments or proposals.

ELIMINATIONS ON FEDERAL EXPENDITURES AFFECTING THE FLOODWAY

Sec. 6. (a) Except as provided in section 7, no new expenditures or new financial assistance may be made available under authority of any Federal law for any purpose within

the Floodway established under section 5 of this Act.

(b) An expenditure or financial assistance made available, under authority of Federal law shall, for purposes of this Act, be a new expenditure or new financial assistance if—

(1) in any case with respect to which specific appropriations are required, no money for construction or purchase purposes was appropriated before the date of the enactment of this Act; or

(2) no legally binding commitment for the expenditure or financial assistance was made before such date of enactment.

EXCEPTIONS

Sec. 7. Notwithstanding section 6, the appropriate Federal officer, after consultation with the Secretary, may make Federal expenditures or financial assistance available within the Colorado River Floodway for—

(A) any dam, channel, or levee construction, operation or maintenance for the purpose of flood control, water conservation, power, or water quality;

(B) other remedial or corrective actions, including but not limited to drainage facilities essential to assist in controlling adjacent high ground water conditions caused by flood flows;

(C) the maintenance, replacement, reconstruction, repair, and expansion, of federally assisted and publicly owned or publicly operated roads, structures (including bridges), or facilities: *Provided*, That, no such expansion shall be permitted unless—

(1) the expansion is designed and built in accordance with the procedures and standards established in section 650.101 of title 23, Code of Federal Regulations, and the following, as they may be amended from time to time; and

(2) the boundaries of the Floodway are adjusted to account for changes in flows caused, directly or indirectly, by the expansion;

(D) military activities essential to national security;

(E) any of the following actions or projects, but only if the Secretary finds that the making available of expenditures or assistance therefor is consistent with the purposes of this Act:

(1) Projects for the study, management, protection and enhancement of fish and wildlife resources and habitats, including, but not limited to, acquisition of fish and wildlife habitats and related lands, stabilization projects for fish and wildlife habitats, and recreational projects.

(2) The establishment, operation, and maintenance of air and water navigation aids and devices, and for access thereto.

(3) Projects under the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 4601-4 through 11).

(4) Scientific research, including but not limited to aeronautical, atmospheric, space, geologic marine, fish and wildlife and other research, development, and applications.

(5) Assistance for emergency actions essential to the saving of lives and the protection of property and the public health and safety, if such actions are performed pursuant to sections 305 and 306 of the Disaster Relief Act of 1974 (42 U.S.C. 5145 and 5146) and are limited to actions that are necessary to alleviate the emergency. Disaster assistance under other provisions of the Disaster Relief Act of 1974 (Public Law 93-288, as amended) may also be provided with respect to persons resident within the Floodway, or structures or public infrastructure in existence or substantially under construction therein, on the date ninety days after the

date of enactment of this Act: *Provided*, That, such persons, or with respect to public infrastructure the State or local political entity which owns or controls such infrastructure, had purchased flood insurance for structures or infrastructure under the National Flood Insurance Program, if eligible, and had taken prudent and reasonable steps, as determined by the Secretary, to minimize damage from future floods or operations of the Floodway established in the Act.

(6) Other assistance for public health purposes, such as mosquito abatement programs.

(7) Nonstructural projects for riverbank stabilization that are designed to enhance or restore natural stabilization systems.

(8) Publicly financed, owned, and operated compatible recreational developments such as regional parks, golf courses, docks, and boat-launching ramps.

(9) Compatible agricultural uses that do not involve permanent crops and include only a minimal amount of permanent facilities in the Floodway.

CERTIFICATION OF COMPLIANCE

Sec. 8. The Secretary of the Interior shall, on behalf of each Federal agency concerned, make written certification that each agency has complied with the provisions of this Act during each fiscal year beginning after September 30, 1985. Such certification shall be submitted on an annual basis to the United States House of Representatives and the United States Senate on or before January 15 of each fiscal year.

PRIORITY OF LAWS

Sec. 9. Nothing contained in this Act shall be construed to alter, amend, repeal, modify, interpret, or be in conflict with the provisions of the Colorado River Compact (45 Stat. 1057), the Upper Colorado River Basin Compact (63 Stat. 31), the Water Treaty of 1944 with the United Mexican States (Treaty Series 994, 59 Stat. 1219), the Flood Control Act of 1944 (58 Stat. 887), the decree entered by the Supreme Court of the United States in *Arizona against California*, and others (376 U.S. 340), the Boulder Canyon Project Act (45 Stat. 1057), the Boulder Canyon Project Adjustment Act (54 Stat. 774; 43 U.S.C. 618a), the Colorado River Storage Project Act (70 Stat. 105; 43 U.S.C. 620), the Colorado River Basin Project Act (82 Stat. 885; 43 U.S.C. 1501). Furthermore, nothing contained in this Act shall be construed as indicating an intent on the part of the Congress to change the existing relationship of other Federal laws to the law of a State, or a political subdivision of a State, or to relieve any person of any obligation imposed by any law of any State, or political subdivision of a State. No provision of this Act shall be construed to invalidate any provision of State or local law unless there is a direct conflict between such provision and the law of the State, or political subdivision of the State, so that the two cannot be reconciled or consistently stand together. Inconsistencies shall be reviewed by the task force, and the task force shall make recommendations concerning such local laws. This Act shall in no way be interpreted to interfere with a State's right to protect, rehabilitate, preserve, and restore lands within its established boundary.

SEPARABILITY

Sec. 10. If any provision of this Act or the application thereof to any person or circumstances is held invalid, the remainder of the Act and the application of such provision to

other persons not similarly situated or to other circumstances shall not be affected thereby.

REPORTS TO CONGRESS

SEC. 11. Within one year after the date of the enactment of this Act, the Secretary shall prepare and submit to the Committees a report regarding the Colorado River Floodway, the task force's report, and the Secretary's recommendations with respect to the objectives outlined in section 4(b) of this Act.

AMENDMENTS REGARDING FLOOD INSURANCE

SEC. 12. The National Flood Insurance Act of 1968 (42 U.S.C. 4028) is amended by adding the following section:

"Sec. 1322. (a) Owners of existing National Flood Insurance Act policies with respect to structures located within the Floodway established under section 5 of the Colorado River Floodway Protection Act shall have the right to renew and transfer such policies. Owners of existing structures located within said Floodway on the date of enactment of the Colorado River Floodway Protection Act who have not acquired National Flood Insurance Act policies shall have the right to acquire policies with respect to such structures for six months after the Secretary of the Interior files the Floodway maps required by section 5(b)(2) of the Colorado River Floodway Protection Act and to renew and transfer such policies.

"(b) No new flood insurance coverage may be provided under this title on or after a date six months after the enactment of the Colorado River Floodway Protection Act for any new construction or substantial improvements of structures located within the Colorado River Floodway established by section 5 of the Colorado River Floodway Protection Act. New construction includes all structures that are not insurable prior to that date.

"(c) The Secretary of the Interior may by rule after notice and comment pursuant to section 553 of title 5, United States Code, establish temporary Floodway boundaries to be in effect until the maps required by section 5(b)(2) of the Colorado River Floodway Protection Act are filed, for the purpose of enforcing subsection (b) and (d) of this section.

"(d) A federally supervised, approved, regulated or insured financial institution may make loans secured by structures which are not eligible for flood insurance by reason of this section: *Provided*, That prior to making such a loan, such institution determines that the lands or structures securing the loan are within the Floodway."

FEDERAL LEASES

SEC. 13. (a) No lease of lands owned in whole or in part by the United States and within the Colorado River Floodway shall be granted after the date of enactment of this Act unless the Secretary determines that such a lease would be consistent with the operation and maintenance of the Colorado River Floodway.

(b) No existing lease of lands owned in whole or in part by the United States and within the Colorado River Floodway shall be extended beyond the date of enactment of this Act or the stated expiration date of its current term, whichever is later, unless the lessee agrees to take reasonable and prudent steps determined to be necessary by the Secretary to minimize the inconsistency of operation under such lease with the operation and maintenance of the Colorado River Floodway.

(c) No lease of lands owned in whole or in part by the United States between Hoover Dam and Davis Dam below elevation 655.0 feet on Lake Mohave shall be granted unless the Secretary determines that such lease would be consistent with the operation of Lake Mohave.

NOTICES AND EXISTING LAWS

SEC. 14. (a)(1) Nothing in this Act shall alter or affect in any way the provisions of section 702c of title 33, United States Code.

(2) The Secretary shall provide notice of the provisions of section 702c of title 33, United States Code, and this Act to all existing and prospective lessees of lands leased by the United States and within the Colorado River Floodway.

(b) Except as otherwise specifically provided in this Act, all provisions of the National Flood Insurance Act of 1968, as amended, and requirements of the National Flood Insurance Program ("NFIP") shall continue in full force and effect within areas wholly or partially within the Colorado River Floodway. Any maps or other information required to be prepared by this Act shall be used to the maximum extent practicable to support implementation of the NFIP.

(c) The Secretary shall publish notice on three successive occasions in newspapers of general circulation in affected communities of the provisions of section 12 of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 15. There is authorized to be appropriated to the Department of the Interior \$600,000, through the end of fiscal year 1990, in addition to any other funds now available to the Department to discharge its duties to implement sections 4 through 14 of this Act: *Provided, however*, That the provisions of sections 6 and 7 of this Act shall not be affected by this section.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from California [Mr. COELHO] will be recognized for 20 minutes and the gentleman from Wyoming [Mr. CHENEY] will be recognized for 20 minutes.

The Chair recognizes the gentleman from California [Mr. COELHO].

GENERAL LEAVE

Mr. COELHO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 1246, the bill now under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. COELHO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, in 1983, the Colorado River experienced unexpectedly high run-off and flooding, especially along the lower portion of the river. Although Federal, State, and local officials were able to protect human lives and the reservoir system, their efforts were hampered by development along the river.

Following the 1983 floods, the Interior Committee held field hearings on the management of the Colorado River. Witnesses testified to the need

for legislation which would designate a Federal floodway. That is, an area where development is discouraged and which could also accommodate heavy river flows.

H.R. 1246 is the result of those hearings. It would designate a Federal floodway from below Davis Dam near Needles, CA to the United States-Mexico border.

This legislation will protect lives and property, save taxpayers money, and avoid construction of new storage facilities in the Colorado River Basin.

The Federal and State Governments have invested billions of dollars in a system of reservoirs and other facilities. Unfortunately, people have built homes and other structures alongside the river.

This encroachment has forced the Bureau of Reclamation to keep upstream reservoirs relatively low just in case there are flood flows. Keeping upstream reservoirs artificially low to protect downstream development has led to wasteful water releases. This bill will correct this problem by allowing the Bureau to increase its storage at upstream reservoirs.

H.R. 1246 would prohibit Federal development-related assistance for new structures within the floodway. Like the Coastal Barrier Resources Act which passed in the 97th Congress, H.R. 1246 will save the Federal Government money by refusing to insure those who take the risk and build in the floodway.

However, the bill doesn't outlaw new development; it will, however, prohibit Federal flood insurance and most forms of disaster assistance for new structures. The bill tells developers, "Go ahead and build adjacent to the river, but don't ask the Federal Government for a bailout."

To be equitable, the bill grandfather those structures which are already built. Federal flood insurance within certain limits will remain available. Existing structures also will be conditionally eligible for disaster assistance.

The Congressional Budget Office estimates the bill will cost \$200,000 in 1986 and \$400,000 in 1987. However, it should be noted that these costs are small in comparison to the savings which will result from fewer insurance payments as a result of future floods.

Mr. Speaker, the Colorado River Floodway Protection Act will save lives and protect the taxpayer's investment in the Colorado River System. This bill is also important because it will improve the management and storage of water in the Colorado River Basin.

Finally, I would like to point out that the bill has the strong support of the Governors and water engineers from the seven Colorado River Basin States—California, Wyoming, Utah,

Arizona, New Mexico, Colorado, and Nevada.

Mr. Speaker, I want to take this opportunity to thank Vernon Valentine for the valuable testimony he presented on behalf of the Colorado River Board of California and the Upper Colorado River Basin Commission. Also, Mr. Bob Will and the metropolitan water district were of great assistance and we appreciate their assistance.

Mr. Speaker, I reserve the balance of my time.

Mr. CHENEY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1246, the Colorado River Floodway Protection Act.

The Colorado River Floodway Protection Act (H.R. 1246) is designed to improve the management of the Colorado River, the principal water resource in the arid southwestern United States. H.R. 1246 requires creation of a federally declared floodway—that is, an area along and adjacent to the Colorado River needed to accommodate part of unusually high river flows—between Davis Dam, located on the Arizona-Nevada State line west of Kingman, AZ, and the United States-Mexican border, some 250 miles to the South. The principal purpose of the bill is to protect and improve the water storage capability of the existing Colorado River reservoir system by withdrawing Federal assistance from future floodway development.

BACKGROUND AND NEED

My interest in this legislation originated in the flood conditions on the Colorado River in 1983. Responding to the concerns of local residents who had been damaged by high water conditions, the Committee on Interior and Insular Affairs held 2 full days of field hearings on these problems in Yuma, AZ, and Needles, CA, during September 1983. I and other members of the committee were and are sympathetic to the personal problems of flood victims, and believed it necessary to take steps to avoid future problems of this kind.

The Colorado River—the Colorado or the river—is now regulated by a massive reservoir system which can store about 60 million acre-feet of water and is designed to provide water supply and other river benefits, including flood control, to more than 10 million residents of the seven Colorado River Basin States. The Federal and State governments have made a multi-billion-dollar investment in this reservoir system. Requirements for flood control space—that is, empty space in the Colorado River reservoirs—must be rationally related to the multiple purposes served by the reservoir system. Encroachments by development in the floodway of the river, limiting its use, may lead to requests for broadened flood control requirements

to substitute for the existing flow accommodation and dam safety protection provided by the floodway. A key result would be a very large loss of precious existing water supplies.

H.R. 1246 is a response to the problems of development on the river floodway. It recognizes that the Colorado River will periodically flood despite the major river control provided by existing dams, and therefore withdraws most forms of Federal assistance to new development within the area along the Colorado which will probably receive most of the periodic flooding. Existing development is grandfathered, and the bill does not impose zoning or other new limits on uses of private property. As explained below, the bill does not otherwise alter the existing management of the Colorado River.

The Colorado River is perhaps the most highly regulated river in the United States, with intense and sometimes conflicting demands for its multiple benefits. The United States is by far the largest landowner in the area which would be affected by this bill. Congress has already approved legislation, the Coastal Barrier Resources Act (Public Law 97-348), which withdraws Federal assistance for new development within a recognized high hazard area in order to limit resource conflicts. H.R. 1246 adapts that concept to the management of the Colorado River.

DISCUSSION

The method chosen by the committee to reconcile the continuing conflict between floodway development and multiple-purpose river management is to prohibit Federal assistance for new development within the river floodway for the lower Colorado River through an extensive study process. Within the floodway, most forms of Federal development-related assistance would be prohibited. Existing development would be grandfathered. The most important forms of grandfathering would be continued availability, within certain limits, of flood insurance, and continued conditional eligibility for disaster assistance. In addition, Federal leasing would be required to be consistent with protection of the floodway.

It is important to be clear on what the bill does not do. It contains no zoning or other form of restriction on the use of private property. Such regulation is the responsibility of local governments. Residents of the affected areas will be allowed to build anywhere they could legally build under existing law, and to obtain traditional forms of bank financing for such construction, as well as any available private flood insurance.

Nor does the bill tell the Bureau of Reclamation or the Corps of Engineers how to manage the Colorado River. If management changes are

necessary or desirable, they can be made in the same manner in which they would be made now. Section 9 of H.R. 1246 specifically preserves all necessary legal authority for both agencies, and generally protects the existence and operation of the "Law of the River."

It is in the interest of the Federal Government and Federal taxpayers to protect existing conservation storage. This is the most economic use of an existing resource, as testimony before the committee showed. In addition, the protection of existing conservation storage will avoid unnecessary new water project construction in a growing area of the country. Maintenance of a floodway will materially decrease the likelihood of increased future flood damages. Finally, floodway maintenance will likely allow the enhancement of downstream fish and wildlife riparian habitat through the occurrence of periodic river flows, somewhat more akin to a natural flow regime. The approach taken by the committee has the additional benefit that it requires virtually no Federal expenditures. If the benefits described above are realized, the Federal Government should save tens of millions of dollars over the next several decades.

My home State of Wyoming will benefit from this legislation in much the same way in which the other Colorado River Basin States will benefit. Wyoming and all of the basin States have an interest in protecting existing conservation storage on the Colorado. Protection of existing conservation storage gives full value to their major investment in water conservation. It also avoids the necessity for expensive new investments in regulatory or flood control storage in order to allow full use of their Colorado River compact entitlements.

I am particularly pleased to have the support of State engineer George Christopoulos, Gov. Ed Herschler, and former State engineer Floyd Bishop for this legislation. I want to personally thank both George Christopoulos and Floyd Bishop for their work in helping to draft this legislation and in encouraging their colleagues throughout the Colorado River Basin to support it.

Special thanks are also due to the water resources officials of the other Colorado River Basin States and of the Upper Colorado River Basin Commission for their helpful comments and suggestions after a careful review of the predecessor bill. These comments and suggestions were of great benefit. I appreciate the assistance and support of these officials, and of the Governors of their respective States, all of whom have formally endorsed this legislation. The Department of the Interior has also provided

helpful technical support and assistance, and I appreciate their position, on behalf of the administration, in support of this bill.

Mr. MILLER of California. Mr. Speaker, I am pleased to support enactment of H.R. 1246, a bill to establish a Colorado River Floodway Protection Act.

This legislation represents a unique solution to a most difficult water resource management problem. The damage resulting from high water conditions along the Colorado River in 1983 were substantial. This damage raised considerable concern among those who reside along the River and those who manage the River system that steps had to be taken to prevent a recurrence of the damage.

Cries for immediate solutions were shrill. There were even those who pushed for construction of more upstream storage facilities. Indeed, this is the choice which has too often been made in past efforts to solve flood management problems.

H.R. 1246, however, chooses a different approach to solving the problem. It offers a solution which is more rational, less expensive, less environmentally damaging and every bit as effective as more reservoirs.

The bill establishes a federally designated floodway below Davis Dam to the Mexican border. The bill would then prohibit Federal development-related assistance for new structures within the floodway. The bill will save the Federal Government money by refusing to ensure those who take the risk and build in the floodway.

The bill will insure more efficient utilization of the existing structures along the Colorado River and greater storage of precious water supplies behind existing Bureau of Reclamation dams. Just as important, the bill will negate the need for additional upstream storage reservoirs.

It is important to note that the Interior Committee made several important changes in H.R. 1246, as introduced. The most important was to give the task force the responsibility to comprehensively examine how to handle the problem of establishing a floodway, and then make recommendations to the Congress and the Secretary. We made this change to ensure that the task force was not a paper tiger. We intend for this group to play a vital role in the floodway designation process.

Mr. Speaker, the key to making H.R. 1246 effective will be vigorous enforcement by the Department of the Interior. Without diligent and committed action by the Department, the solutions proposed by H.R. 1246 will become just an empty paper-pushing exercise. I intend to follow implementation of this legislation very closely and hold oversight hearings as appropriate.

Finally, Mr. Speaker, I would like to compliment the ranking Republican on the Subcommittee on Water and Power Resources, the gentlemen from Wyoming [Mr. CHENEY], for his diligent efforts to enact H.R. 1246. Without his tireless efforts, this legislation would not be possible.

Mr. Speaker, I urge the House to suspend the rules and enact H.R. 1246.

Mr. CHENEY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

□ 1215

Mr. COELHO. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California [Mr. COELHO] that the House suspend the rules and pass the bill, H.R. 1246, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H.J. Res. 287. Joint resolution to designate October 1985 as "Learning Disabilities Awareness Month."

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 1714. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, space flight, control and data communications, construction of facilities, and research and program management, and for other purposes.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1689. An act to amend various provisions of the Public Health Service Act.

COMMODITY REIMBURSEMENT FOR MEALS UNDER THE OLDER AMERICANS ACT OF 1965

Mr. KILDEE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2453) to amend the Older Americans Act of 1965 to increase the amounts authorized to be appropriated for fiscal years 1985, 1986, and 1987 for commodity distribution; and for other purposes, as amended.

The Clerk read as follows:

H.R. 2453

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. COMMODITY DISTRIBUTION LEVEL OF ASSISTANCE PER MEAL.

Section 311(a)(4) of the Older Americans Act of 1965 (42 U.S.C. 3030a(a)(4)) is amended—

(1) by striking out "15 cents" and all that follows through "30 cents per meal for", and inserting in lieu thereof "56.76 cents per meal during fiscal year 1986 and during", and

(2) by striking out "June 30, 1975" and inserting in lieu thereof "September 30, 1986".

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

(a) FISCAL YEAR 1985.—There is authorized to be appropriated such sums as may be necessary to provide reimbursement at the level of 56.76 cents per meal during fiscal year 1985, determined under section 311(a)(4) of the Older Americans Act of 1965 (42 U.S.C. 3030a(a)(4)), for meals served under section 311 of such Act in such fiscal year. For purposes of subsections (a) and (b) of section 311 of such Act, the sum authorized to be appropriated by this subsection shall be deemed to have been authorized to be appropriated for fiscal year 1985 by section 311(c)(1) of such Act. For purposes of subsection (c)(1)(B) of such Act, the date of the enactment of this Act shall be deemed to be the last day of each quarter of fiscal year 1975 for which reimbursement is claimed.

(b) FISCAL YEARS 1986 AND 1987.—Subparagraph (A) of section 311(c)(1) of the Older Americans Act of 1965 (42 U.S.C. 3030a(c)(1)(A)) is amended to read as follows:

"(A) There are authorized to be appropriated for fiscal years 1986 and 1987 such sums as may be necessary to carry out this section (other than subsection (a)(1))."

SEC. 3. INFORMATION REGARDING FEDERAL FOOD PROCESSING PROGRAMS.

Section 311 of the Older Americans Act of 1965 (42 U.S.C. 3030a) is amended by adding at the end thereof the following new subsection:

"(d) From time to time, the Secretary of Agriculture and the Secretary of Health and Human Services shall jointly inform the State agency, area agencies on aging, and recipients of grants and contracts to be used for providing nutrition services in accordance with the provisions of this title, of the existence of any Federal commodity processing program in which such State agency, area agencies, and recipients may be eligible to participate."

SEC. 4. EFFECTIVE DATE.

This Act and the amendments made by this Act shall take effect on October 1, 1985.

The SPEAKER pro tempore. Is a second demanded?

Mr. PETRI. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. KILDEE] will be recognized for 20 minutes and the gentleman from Wisconsin [Mr. PETRI] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan [Mr. KILDEE].

Mr. KILDEE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2453. This bill addresses a shortfall in the Older Americans Nutrition Program. Under this program, the Secretary of Agriculture reimburses each State based on the number of congregate and home-delivered meals served under an approved title III plan.

Current law provides for a rate of reimbursement which is indexed; that is,

based upon the CPI, for meals served away from home. But the law further provides for a pro rata reduction in the reimbursement when the authorization in the bill falls short of the amount needed for that full adjustment of the CPI.

In the past, Congress has always come up with the money to avoid reducing support for this program. In February 1985, the Department of Agriculture announced that the 1985 authorization level, however, would not be enough to cover the 4-percent CPI adjustment for the number of meals projected to be served. The Department at that time proposed to provide only one-fourth of a cent increase, that is, only one-ninth of the full CPI increase. However, worse news came in August.

On August 19 of this year, the Department announced that a much greater number of elderly people were participating in this meals program; therefore, rather than only a modest increase, the Department tells us there would be a positive reduction in the reimbursement rate of from 2 to 4 cents.

The programs, which have served between 220 million and 230 million meals this year, will have no alternative then but to reduce the number of people or meals being served.

H.R. 2453 before us now is designed, first, to eliminate that uncertainty for the providers and the receivers of those meals; and second, to still limit the impact on the Federal budget. This bill will freeze the rate announced by USDA in February for fiscal years 1985 and 1986 and provide for a full inflation adjustment in 1987.

We have worked very closely with the Republican side to provide this relief in a very fiscally sound way. The gentleman from Iowa [Mr. TAUKE] and the gentleman from Wisconsin [Mr. PETRI] and I have worked closely to make sure that we take care of this human need, but also recognize the fiscal needs of the Federal Government. We have also consulted with the providers of these meals and we have worked very closely with the Committee on the Budget and received their approval for a waiver of the May 15 deadline.

I want to point out that this bill is an authorization bill and does not directly result in any expenditure. The bill represents a very fiscally responsible solution of this problem, and I urge your support.

Mr. Speaker, I reserve the balance of my time.

Mr. PETRI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2453, legislation to amend the Older Americans Act and thereby stabilize the per meal level of commodity assistance for congregate and home-

delivered meals program authorized under title III of the act.

When Congress reauthorized the Older Americans Act last year, it established authorization levels for commodity support for senior meals programs for fiscal years 1985 through 1987. Based on projections as to the total numbers of meals to be served, these authorization levels were deemed adequate to provide the per meal level of commodity assistance determined by statutory formula.

Due to several factors, including increased allocations of State and local resources for these programs and higher contributions on the part of participants, the total number of senior meals now estimated to be served in fiscal year 1985 far exceeds the original estimates on which current and future authorization levels were based.

Given an authorization ceiling and a sizable increase in the number of meals to be served, the per meal rate for commodity assistance will have to be lowered retroactively for all meals served in fiscal year 1985. And, we have good reason to believe that we shall face this shortfall dilemma again next year.

On February 21, 1985, the U.S. Department of Agriculture announced that the fiscal year 1985 value of commodities—or cash in lieu thereof—for each meal served in nutrition programs assisted under the Older Americans Act would be 56.76 cents. The 56.76 cents per meal in commodity support reflected the statutory ceiling of \$120.8 million for fiscal year 1985 and a projection of 212.8 million meals to be served.

Subsequently, on August 19, the USDA announced that, on the basis of meals served during the first quarter of fiscal year 1985, revised estimates of the total number of meals likely to be served were in the range of 220 to 230 million meals. Depending on the final meal count as of September 30, 1985, the Department has stated that the per meal level of commodity assistance could be in the range of 52.52 to 54.90 cents per meal. What the actual per meal rate will be will not be determined or announced until January 1, 1986, and will be applied retroactively to all meals served in fiscal year 1985.

H.R. 2453 seeks to eliminate the uncertainty that a "floating" reimbursement rate causes for our senior meals programs throughout the country.

The legislation before us would remove the present authorization ceilings for commodity assistance and authorize such sums as are necessary to provide 56.76 cents per meal in commodity support for fiscal years 1985 and 1986. For fiscal year 1987, the per meal commodity assistance rate would be determined by the formula incorporated in the act.

By insuring the previously announced rate and avoiding retroactive reductions in commodity assistance for meals already served this fiscal year, our senior nutrition programs will not be subject to cutbacks in the meals they are now providing.

By establishing the rates that will be in effect for fiscal year 1986, State and local agencies on aging can effectively plan how best to serve their senior citizens in greatest need of congregate and home-delivered meal services.

Similarly, the rates that this measure establishes for fiscal year 1985 and freezes in place in fiscal year 1986 will be the base on which fiscal year 1987 rates will be determined in accordance with the formula provided in the act.

I would strongly urge my colleagues to join me in voting for H.R. 2453 in order that we can avoid cutbacks in nutrition services to our senior citizens and enhance future program planning and stability.

Mr. Speaker, I reserve the balance of my time.

Mr. LELAND. Mr. Speaker, I rise in support of H.R. 2453, the Older Americans Nutrition Act. The passage of this bill is critical for the continued functioning of the Older Americans Act nutrition programs.

Last year we passed a 3-year reauthorization of the Older Americans Act. This included the authorization of appropriations for the elderly nutrition programs. The authorization levels we set were based on projected participation rates. Last month the U.S. Department of Agriculture announced that 8 to 18 million more meals, above the fiscal year 1985 projections, are being served to senior citizens across the Nation. Unless we act now to increase the annual authorization for Federal subsidies for these meals, USDA will have to cut back its per meal reimbursement rate to State and local offices of aging; and hundreds of thousands of older Americans will lose nutrition benefits.

The congregate and home-delivered meals programs are vital to recipients. It is the intent of these programs to improve the diet of older persons, to foster social interaction, and to facilitate the delivery of social services to their participants.

As chairman of the Select Committee on Hunger, I have learned how important these programs are to the health and well-being of individual participants. Many elderly citizens report that this federally subsidized lunch is their only meal of the day. Without the funds provided for in this bill, they might not have even one meal each day.

I urge you to vote in support of H.R. 2453 to prevent a shortfall of funds in the elderly nutrition programs. If we do not pass this act we will actually be voting for a cutback and thus be taking away meals from those elderly who are eligible and in need.

Mr. BIAGGI. Mr. Speaker, I rise in strong support of the bill before us, H.R. 2453, to increase reimbursements to States for meals served under the Older Ameri-

cans Act. As the original author of this bill, along with my distinguished colleague, Mr. KILDEE, the chair of the subcommittee, we believe that timely consideration of this bill is needed if we are to avert major reductions in meal programs for this year.

The need for this emergency legislation is great. In January of this year, I contacted the Department of Agriculture to learn of their plans for funding this program, given the anticipated increase in the number of meals to be served. I was advised in February that the fiscal year 1985 authorized level would be insufficient to cover demand and proposed to cut the reimbursement rate. On August 19, the Department announced a second round of reductions for this program, between 2 and 4 cents, based upon a greater increase in meals served than originally projected.

Original projections for meals in this fiscal year were based upon 212,800,000 meals being served. Revised projections on this rate has been increased to between 220 and 230 million meals being served by States in this fiscal year. Much of this increase in rate is due to cost-efficiencies adopted by States in order to expand the number of meals they are able to serve. To penalize them by failing to provide adequate reimbursement would mean that meals would be cut—and seniors would lose access to meal programs.

Passage of this bill will secure a flat rate of reimbursement for meals served under the Older Americans Act at 56.76 cents for fiscal year 1985 and fiscal year 1986. The bill further provides for a full cost-of-living increase in the reimbursement rate for fiscal year 1987. The authorization levels have been removed, so that "such sums" will be provided for this purpose. By removing this cap on authorized appropriations, we will eliminate the ability of the Department to reduce reimbursements for meals in the middle of the fiscal year.

This bill also includes a provision authored by our ranking Republican, Mr. JEFFORDS, that would require the Secretary of Health and Human Services to periodically inform State and area agencies, as well as meal providers, of their eligibility to participate in the National Commodity Processing Program. It is estimated that more aggressive use of this program by service providers would produce savings as much as 14 cents per meal—thereby expanding further the number of meals that can be served. Commodities are extensively used in child nutrition programs. Our positive experience in that area has proved that we need to encourage this same practice in elderly nutrition programs.

I want to commend the chair of the subcommittee, Mr. KILDEE, for his timely consideration of this legislation. I also wish to thank the ranking Republican member of that subcommittee, Mr. TAUKE, for his bipartisan support of and involvement in this measure and our full committee chair, GUS HAWKINS, for his timely efforts on behalf of this most urgent matter.

Mr. Speaker, for 20 years, the Older Americans Act has served as the hallmark of the Federal Government's commitment

to the aged by providing them a floor of social service programs that prevent unnecessary and premature institutionalization. The nutrition programs are some of the most visible results of this commitment and our actions today serve to continue our strong support of both these programs, and the seniors they serve. I urge adoption of this legislation.

Mr. KILDEE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. PETRI. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan [Mr. KILDEE] that the House suspend the rules and pass the bill, H.R. 2453, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. KILDEE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

□ 1225

HEALTH SERVICES AMENDMENTS OF 1985

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1689), to amend various provisions of the Public Health Service Act, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

The text of the Senate bill is as follows:

S. 1689

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Health Services Amendments of 1985".

(b) Except as otherwise specifically provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or a repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Public Health Service Act.

HANSEN'S DISEASE PROGRAM

SEC. 2. (a) Section 320 is amended to read as follows:

"HANSEN'S DISEASE PROGRAM

"SEC. 320. (a) The Secretary—

"(1) shall provide care and treatment (including outpatient care) without charge at the Gillis W. Long Hansen's Disease Center in Carville, Louisiana, to any person suffering from Hansen's disease who needs and requests care and treatment for that disease; and

"(2) may provide for the care and treatment (including outpatient care) of Hansen's disease without charge for any person who requests such care and treatment.

"(b) The Secretary shall make payments to the Board of Health of Hawaii for the care and treatment (including outpatient care) in its facilities of persons suffering from Hansen's disease at a rate, determined from time to time by the Secretary, which shall, subject to the availability of appropriations, be approximately equal to the operating cost per patient of those facilities, except that the rate determined by the Secretary shall not be greater than the comparable operating cost per Hansen's disease patient at the Gillis W. Long Hansen's Disease Center in Carville, Louisiana."

(b) The Public Health Service Facility in Carville, Louisiana, shall be known and designated as the "Gillis W. Long Hansen's Disease Center". Any reference in a law, map, regulation, document, record, or other paper of the United States to such facility shall be held to be a reference to the Gillis W. Long Hansen's Disease Center.

LIMITED APPLICABILITY OF CERTAIN ADDITIONAL SPECIAL PAY TO PHYSICIANS IN THE PUBLIC HEALTH SERVICE COMMISSIONED CORPS

SEC. 3. (a) Section 208(a)(2) is amended—

(1) by striking out "Commissioned" and inserting in lieu thereof "(A) Except as provided in subparagraph (B), commissioned"; and

(2) by adding at the end the following new subparagraph:

"(B) A commissioned medical officer in the Regular or Reserve Corps may not receive additional special pay under section 302(a)(4) of title 37, United States Code, for any period during which the officer is providing obligated service under (i) section 338B, (ii) section 225(e) (as such section was in effect prior to October 1, 1977), or (iii) section 752 (as such section was in effect between October 1, 1977, and August 13, 1981).

(b) The amendment made by subsection (a) shall not diminish any benefits under an agreement entered into before the date of enactment of this Act by a commissioned medical officer in the Regular Corps or the Reserve Corps of the Public Health Service.

CASH AWARDS FOR COMMISSIONED OFFICERS

SEC. 4. Section 221(a) is amended by adding at the end thereof the following:

"(15) Section 1124, Cash awards for suggestions, inventions, or scientific achievements."

HEALTH CARE FOR INVOLUNTARILY SEPARATED COMMISSIONED OFFICERS AND DEPENDENTS

SEC. 5. Section 326 is amended by inserting after subsection (a) the following new subsection:

"(b)(1) The Secretary may provide health care for an officer of the Regular or Reserve Corps involuntarily separated from the Service, and for any dependent of such officer if—

"(A) the officer or dependent was receiving health care at the expense of the Service at the time of separation; and

"(B) the Secretary finds that the officer or dependent is unable to obtain appropriate insurance for the conditions for which

the officer or dependent was receiving health care.

"(2) Health care may be provided under paragraph (1) for a period of not more than one year from the date of separation of the officer from the Service."

EVALUATION FUNDING

SEC. 6. Section 305(h) is amended by adding at the end thereof the following new sentence: "In administering this subsection, the Secretary shall assure that the amount to be made available in any fiscal year is seven and one-half percent of the maximum amount authorized to be made available under section 2113 in such fiscal year."

ALCOHOL, DRUG ABUSE, AND MENTAL HEALTH SERVICES BLOCK GRANT

SEC. 7. (a)(1) Section 1916(c) is amended—
(A) by striking out paragraphs (14) and (15); and

(B) by inserting immediately after paragraph (13) the following:

"(14) Of the amount allotted to a State under this part in any fiscal year, the State agrees to use—

"(A) in fiscal year 1985, not less than 3 percent of such amount; and

"(B) in any other fiscal year, not less than 5 percent of such amount,

to initiate and provide new or expanded alcohol and drug abuse services for women.

"(15) Of the amount to be used in any fiscal year for mental health activities, the State agrees to use not less than 10 percent of such amount to initiate and provide—

"(A) in fiscal year 1985, new comprehensive community mental health services for underserved areas or for underserved populations, with special emphasis on new mental health services for severely disturbed children and adolescents; and

"(B) in any other fiscal year, new or expanded comprehensive community mental health services for underserved areas or for underserved populations, with special emphasis on new or expanded mental health services for severely disturbed children and adolescents."

(3) Section 1916(g) is amended by inserting "or expanded" after "new" in the first sentence.

(b) Section 1917(a) is amended—
(1) by redesignating clauses (1), (2), (3), and (4) as clauses (A), (B), (C), and (D), respectively;

(2) by inserting "(1)" after "(a)"; and
(3) in clause (C) (as so redesignated), by inserting "or expanded" after "new".

(c) Section 1920A is amended—
(1) by striking out "part B of title XIX" in clause (1) and inserting in lieu thereof "this part"; and

(2) by striking out "such part" each place it occurs in clause (2) and inserting in lieu thereof "this part".

TECHNICAL AMENDMENTS RELATING TO GRANTS FOR A COUNCIL ON HEALTH CARE TECHNOLOGY

SEC. 8. (a) Section 309 is amended—
(1) by inserting "GRANTS FOR A" before "COUNCIL" in section heading;

(2) by striking out "Council on Health Care Technology" and all that follows through "this section" in subsection (a)(1) and inserting in lieu thereof "council on health care technology";

(3) by inserting "(1)" before "The Secretary" in subsection (a)(2)(A);

(4) by striking out "to the National Academy" and all that follows through "The amount of such grant" in subsection (a)(2)(A) and inserting in lieu thereof the following: "for the planning, development,

and establishment of the council. The amount of an initial grant";

(5) by adding at the end of subsection (a)(2)(A) the following:

"(ii) The Secretary shall request the National Academy of Sciences, acting through appropriate units, to submit an application for an initial grant under paragraph (1). If the Academy submits an acceptable application, the Secretary shall make the initial grant to the Academy. If the Academy does not submit an acceptable application for an initial grant under paragraph (1), the Secretary shall request one or more appropriate nonprofit private entities to submit an application for an initial grant under paragraph (1) and shall make a grant to the entity which submits the best acceptable application."

(6) by striking out "The Council shall" in subsection (c)(1) and inserting in lieu thereof "In order to qualify for a grant under this section for the operation of the council, the applicant must demonstrate that it has the capability to, and that under the grant it will";

(7) by striking out subsections (d), (f), and (g) and inserting in lieu thereof the following:

"(d) In order to qualify for an initial grant under this section to plan, develop, and establish the council under this section, the applicant must assure that the council will be composed of at least 10 members—

"(1) each of whom has education, training, experience, or expertise relating to the quality and cost effectiveness of health care technologies; and

"(2) who, as a group, provide representation of organizations of health professionals, hospitals, and other health care providers, health care insurers, employers, consumers, and manufacturers of products for health care.

"(e) As a condition for receiving a grant under this section, the applicant must agree to submit to the Secretary an annual report on the council's activities under the grant. The Secretary shall provide for timely transmittal of a copy of each such report to the Committee on Labor and Human Resources of the Senate and the Committee on Energy and Commerce of the House of Representatives."

(8) by redesignating subsection (h) as subsection (f); and

(9) by striking out "Council" each place it appears in subsections (a)(2), (b), and (c)(2) and inserting in lieu thereof "council".

(b) The amendments made by this section shall take effect as of the date of the enactment of the Health Promotion and Disease Prevention Amendments of 1984.

LIMITED EXCEPTION TO GRADE LIMITATIONS FOR COMMISSIONED OFFICERS OF THE PUBLIC HEALTH SERVICE WHO ARE ASSIGNED TO THE DEPARTMENT OF DEFENSE

SEC. 9. Section 206 is amended by adding at the end thereof the following new subsection:

"(e) In computing the maximum number of commissioned officers of the Public Health Service authorized by law to hold a grade which corresponds to the grade of brigadier general or major general, there may be excluded from such computation not more than three officers who hold such a grade so long as such officers are assigned to duty and are serving in a policymaking position in the office of the Assistant Secretary of Defense for Health Affairs."

CONTINUING CARE FOR CERTAIN PSYCHIATRIC PATIENTS

SEC. 10. In any fiscal year beginning after September 30, 1981, from funds appropriated for carrying out section 301 of the Public Health Service Act with respect to mental health, the Secretary of Health and Human Services may provide, by contract or otherwise, for the continuing care of psychiatric patients who were under active and continuous treatment at the National Institute on Drug Abuse Clinical Research Center on the date such Clinical Research Center ceased operations.

TECHNICAL AMENDMENTS

SEC. 11. (a)(1) The first sentence of section 311(c)(1) is amended—

(A) by striking out "referred to in section 317(f)"; and

(B) by striking out "involving or resulting from disasters or any such disease".

(2) The second sentence of section 311(c)(1) is amended by striking out "resulting from disasters or any disease or condition referred to in section 317(f)".

(b) Section 504 is amended—

(1) by striking out "1915(e)" in subsection (g) and inserting in lieu thereof "1916(e)"; and

(2) by striking out the section heading and inserting in lieu thereof the following:

"NATIONAL INSTITUTE OF MENTAL HEALTH".

(c) Section 928(b) of the Omnibus Budget Reconciliation Act of 1981 is amended by striking out "(42 U.S.C. 247b(j)(1)(A))" and inserting in lieu thereof "(42 U.S.C. 247b(j))".

(d) Section 4(c)(2)(A) of the Federal Cigarette Labeling and Advertising Act is amended by striking out "brand" the first place it appears and inserting in lieu thereof "brand style".

REPEAL OF OBSOLETE PROVISIONS

SEC. 12. (a) Section 314(g) is repealed.

(b) Section 315 is repealed.

(c) Section 328 is repealed.

(d) Title IX is repealed.

(e) Title XII is repealed.

(f) Section 2105 is repealed.

Mr. WAXMAN. Mr. Speaker, this bill includes a number of technical amendments that are necessary to repeal obsolete or redundant sections of the Public Health Service Act. It also includes provisions to assure that the intent of Congress in enacting recent legislation on health care technology is carried out.

This bill is not controversial. It passed the Senate by unanimous consent. Many of the provisions were requested by the administration. The bill has been reviewed by the ranking minority member of the Subcommittee on Health and the Environment, Mr. MADIGAN, and has his support.

For your information, the following is a brief description of this bill.

Section 2 would honor the memory of one of our distinguished late members, the Honorable Gillis W. Long. The Public Health Service facility in Carville, LA, will be known as the Gillis W. Long Hansen's Disease Center. This section would also make clear that receipt of Federal treatment for Hansen's disease is voluntary, would permit treatment outside the Public Health Service facilities, and would revise the archaic language of the current provisions concerned with this disease.

Section 3 would preclude those physicians in the Public Health Service who are providing obligated service from receiving additional special pay. This bill would put into the statute a policy that has been enforced through the appropriations process for several years.

Section 4 would extend to commissioned officers in the Public Health Service permission to receive cash awards for specific suggestions, inventions, or scientific achievements that are of benefit to the Government. Under current law, members of other uniformed services and civilian employees are eligible for similar awards, but Public Health Service commissioned officers are not.

Section 5 would permit the Secretary of the Department of Health and Human Services to provide health care for an involuntarily separated commissioned officer or dependent for up to 1 year after separation if that person had been receiving health care at the expense of the Public Health Service at the time of separation and if the Secretary found that the person could not obtain appropriate insurance for the condition for which they were receiving health care. Federal civilian employees have insurance conversion rights, and separated military personnel may be provided health care for a short period of time. No such authority currently exists for separated Public Health Service commissioned officers who may suddenly find themselves and their dependents unable to obtain coverage for an existing condition.

Section 6 is intended to carry out the intent of Congress that a specified amount of money, currently authorized for program evaluations, be utilized by the National Center for Health Services Research and Health Care Technology Assessment. The Health Promotion and Disease Prevention Amendments of 1984, Public Law 98-551, made available for evaluations of health services and health care technology a portion of the evaluation funds available to the Secretary of the Department of Health and Human Services. Although House Report 98-818 from the Committee on Energy and Commerce made clear the intent of this provision, the subsequent implementation has resulted in unfortunate and altogether unnecessary confusion. This provision will help assure that the center can proceed with its limited, but critically important, technology assessment activities.

Section 7 includes some amendments concerning the Alcohol, Drug Abuse, and Mental Health Services Block Grant Program. Last year, this program was reauthorized through fiscal year 1987 by the Alcohol, Drug Abuse, and Mental Health Amendments of 1984, Public Law 98-509. That legislation required States to use 5 percent of their total allotment in any fiscal year to initiate and provide new alcohol and drug abuse services for women and 10 percent of their mental health allotment to initiate and provide new mental health programs in underserved areas or populations. This bill would allow the States somewhat more flexibility by allowing

them to create new treatment opportunities through expansion of existing services as well as through the initiation of entirely new ones. Except for reducing from 5 percent to 3 percent the minimum set-aside requirement in fiscal year 1985 for new substance services for women, the bill does not alter the basic obligation of the States under Public Law 98-509 to comply fully with the new set-aside requirements in fiscal year 1986 and fiscal year 1987.

Section 8 related to grants for a Council on Health Care Technology. The provision is needed to address concerns raised by the Justice Department concerning the Council on Health Care Technology Assessment established in the National Academy of Sciences by Public Law 98-551. This section clarifies the role of this new private sector council in assessing new medical technologies and the relationship of this body with the National Center for Health Services Research and Health Care Technology Assessment.

Section 9 authorizes a limited exception to the present ceiling on the number of the general officer grades in the Public Health Service to allow for the detail from the Service of up to three general grade officers to the Office of the Assistant Secretary of Defense for Health Affairs in policymaking positions. Currently, the number of general officer grades for commissioned officers of the Public Health Service is limited to 1 percent of the total number of commissioned officers. Fully consistent with provisions of the Public Health Service Act authorizing the detail of service officers to other executive departments, Public Health Service medical officers detailed to the Office of the Assistant Secretary of Defense for Health Affairs have been the primary officials responsible for the development and implementation of quality assurance initiatives responsive to congressional support for bolstering public confidence in the military health care system. Making provision for the detail of up to three senior officers for such critical policymaking positions in the Office of the Assistant Secretary of Defense for Health Affairs will help advance these important initiatives.

Section 10 authorizes the continued care of a limited number of individuals who were under active and continuous treatment at the National Institute on Drug Abuse Clinical Research Center when that center ceased operations. This humane action is necessary because many of these individuals are totally disabled and have been dependent on the Federal Government for a number of years. Authority to continue to meet this obligation was unintentionally repealed by recent legislation.

Section 11 contains certain technical amendments to correct references and to delete obsolete references in various provisions of the Public Health Service Act. It also repeals six obsolete provisions of that act.

Mr. ECKERT of New York. Mr. Speaker, I rise in support of S. 1689. Legislation that makes several technical changes in the Public Health Service Act, repeals several obsolete sec-

tions in that act, and clarifies the intent of Congress in legislation concerning health care technology that passed last year. The description provided by the gentleman from California is accurate and complete.

I would like to point out a few provisions contained in the bill:

First, the Hansen's Disease Treatment Center is named in honor of our recently departed colleague, the Honorable Gillis W. Long.

Second, the alcohol drug abuse and mental health services block grant is amended to provide States more flexibility in providing services through expanding existing services rather than having to initiate new services.

Third, the role of the Council on Health Care Technology Assessment is clarified to meet certain concerns raised by the Justice Department.

The administration supports this legislation. I urge its adoption.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on S. 1689, the Senate bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 2409, HEALTH RESEARCH EXTENSION ACT OF 1985

Mr. WAXMAN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 2409), to amend the Public Health Service Act to revise and extend the authorities under that act relating to the National Institutes of Health and National Research Institutes, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California? The Chair hears none and, without objection, appoints the following conferees: Messrs. DINGELL, WAXMAN, SCHEUER, BROY-HILL, and MADIGAN.

There was no objection.

ARTS, HUMANITIES, AND MUSEUMS AMENDMENTS OF 1985

The SPEAKER pro tempore. Pursuant to House Resolution 266, and rule XXIII, the Chair declares the House in the Committee of the Whole House

on the State of the Union for the consideration of the bill, H.R. 3248.

□ 1228

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 3248), to amend the National Foundation on the Arts and the Humanities Act of 1965, and for other purposes, with Mr. GONZALEZ in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from Montana [Mr. WILLIAMS] will be recognized for 30 minutes and the gentleman from Missouri [Mr. COLEMAN] will be recognized for 30 minutes.

The Chair recognizes the gentleman from Montana [Mr. WILLIAMS].

Mr. WILLIAMS. Mr. Chairman, I yield myself such time as I may consume.

I rise in support of H.R. 3248, the Arts, Humanities, and Museum Act of 1985, which reauthorizes the National Endowment for the Arts, the National Endowment for the Humanities, and the Institute of Museum Services for 4 years. This bill is the culmination of a series of five hearings which the Subcommittees of Select Education and Postsecondary Education have held here in Washington, DC, and in the field. It is also the product of the extensive comments of and negotiations with arts groups, humanities groups, and the Endowments.

The President's task force report on the arts and humanities stated:

The strength of America's arts and humanities is essential to the well-being of the Nation There is a clear public purpose in supporting the arts and the humanities: the preservation and advancement of America's pluralistic cultural and intellectual heritage, the encouragement of creativity, the stimulation of quality in American education, and the enhancement of our general well-being.

After hearing from 62 witnesses, the committees drew similar conclusions about the need for the Endowments and the Institute of Museum Services and the direction of change.

H.R. 3248 focuses on three types of changes while seeking to maintain the flexibility and standard of excellence in the Endowments' efforts. First the bill attempts to increase the support of the Endowments for emerging institutions and groups and to ensure that the programming reflects the full cultural diversity of our Nation. Second, the bill enhances the Endowments' involvement in arts and humanities education in our public schools. Finally, the bill deals with a variety of management issues which arose during the hearings including improving postaward evaluation, increasing the

rotation of panel members on the peer review panels, and ensuring the expertise and representativeness of the governing councils.

The bill reinforces the standard of quality and excellence which is the founding philosophy for the endowments—while seeking to make art and humanities available to the broadest range of artists, scholars, and audiences. We have sought at all times to maintain the administrative and programmatic flexibility of the endowments, which allow them to respond creatively to an ever changing world. At the same time we have sought to ensure that the endowments' funding and programs are equally available to emerging and underrepresented groups in our society. Our Nation is a kaleidoscope of people and cultures. Thus, we seek in this bill to ensure that the funding in the endowments' programs is not dominated by one tradition, but rather reflects the full cultural diversity of our heritage. We have added to the programs which the chairs of the endowments are authorized to establish—programs which have substantial artistic and cultural significance and that reach, or reflect the culture of groups that have traditionally not benefited from the programs of the endowments for historical, economic, or geographic reasons and thus reflect the full richness and diversity of our American heritage. As Jane Delgado of the Hispanic Inter-Arts Alliance testified to the subcommittees:

It is essential that American culture which is pluralistic and as such consists of unique and diverse cultural expressions be celebrated and promoted through the Endowment.

The State arts agencies are required to submit State plans with their applications for assistance which serve an important function in ensuring that the endowments' goals are met with the Federal funds for State programs. The bill clarifies what information should be included in the State plans. We have also required that the State planning meetings be open to the public and that the State plans set goals for serving a wider range of groups and report on progress toward those goals. The endowments and the Congress are hampered in their efforts to assess arts and humanities policies for this Nation by the lack of data on the participation of scholars and artists. The bill thus calls for a national state of the arts and state of the humanities report to be delivered biennially by the endowments which would include information on level of artistic and cultural activities in the Nation, financial trends, and trends in arts and humanities education and audience participation.

The current preamble of the law cites the importance of a public understanding of arts and culture in pre-

serving our democracy and in controlling our technological future. A key way of serving that goal is to increase arts and humanities education in the schools. We have outlined that as a program area for the endowments and required the endowments with the cooperation of the Department of Education do a study of their role and potential participating in such education.

Finally, several important management issues have come up in the hearings which we have addressed in the bill. We have required postaward evaluation to ensure accountability and the rotation of review panelists to ensure representatives and openness in the funding process. To ensure excellence in funding we have also required that the National Council Members have established records of expertise, eminence, or commitment in their fields.

Due to the vagaries of the legislative process, several practices were inconsistent between the endowments, which the subcommittees sought to rectify. H.R. 3248 increased the size of the Chairperson's grants in the National Endowment for the Arts from \$17,500 to \$30,000 which is the same size as the Chairperson's grants for the National Endowment for the Humanities. We have also granted limited construction authority to the National Endowment for the Humanities to match the authority for the National Endowment for the Arts. The National Endowment for the Humanities currently has authority to conduct renovation and occasionally needs the authority to support construction of a new facility for humanities projects.

This year is the 20th anniversary of the National Endowment for the Arts and the National Endowment for the Humanities. It is an important time to reaffirm our commitment to this Federal, State, local, and private partnership which has contributed so much to the vitality and awareness of the arts and humanities in this country. We believe this bill does that while setting the direction for the Federal arts and humanities involvement to be as important and innovative for the next 20 years as it has for the last.

Mr. COLEMAN of Missouri. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 3248, legislation reauthorizing and extending for 4 years the National Endowments for the Arts and Humanities and Institute on Museum Services.

I would like to commend PAT WILLIAMS, chairman of the Subcommittee on Select Education, and STEVE BARTLETT, ranking Republican of that subcommittee for the commitment they made to insuring timely passage of this legislation. In addition, I commend the staff of endowments for

their tremendous help in assisting members of the committee during the reauthorization process.

The endowments' focus on quality is a thread that runs throughout their history. The endowments' reliance on distinguished and broadly representative panels of experts in the field of arts and humanities has continued to guarantee that projects of the highest quality, and of a diverse array of expression receive the endowments' encouragement and support. In my view, the central mission of the endowments must be to offer to all Americans the best which the arts and humanities disciplines have to offer. The support of excellent projects which provide an understanding and appreciation of the foundation of our civilization and country are at the core of the two endowment's mission. I think they have been largely successful with that mission.

The tremendous growth in arts and humanities activities nationwide is due in some measure to the endowments' contributions, and those of its partners in both the public and private sectors. I am pleased that the Federal Government is renewing its important presence in financing arts and humanities through the consideration of H.R. 3248.

I think it is useful to note some areas where NEH and NEA have done outstanding work in the last several years. Last year, for example, NEH produced an excellent report entitled "to Reclaim a Legacy: A Report on the Humanities in Higher Education." This report has raised important issues about the adequacy of humanities education at our Nation's colleges and universities, stirring national debate and encouraging new initiatives from the colleges and universities themselves to address these problems. These problems include that "a student can obtain a bachelor's degree from 75 percent of all American colleges and universities without having studied European history, from 72 percent without having studied American literature or history, and from 86 percent without having studied the civilization of classical Greece and Rome" and that "fewer than half of all colleges and universities now require foreign language study for the bachelor's degree, down from nearly 90 percent in 1966."

I think that we should also recognize and commend NEH for its attention to gaining greater public understanding of the U.S. Constitution as the Nation approaches the bicentennial of the signing and ratification of that document. NEH's Office of the Bicentennial of the Constitution has been a leading force at the national level in funding exhibits, television programs, educational efforts and basic research on the Constitution and its importance to this country. We should en-

courage the Humanities Endowment to continue in these efforts.

Under its existing legislation, the National Endowment for the Arts has been able to respond to changing needs and opportunities in the many and diverse fields it serves. Over the past 3 years alone, the Arts Endowment has launched several important initiatives:

The Locals Test Program, which began in fiscal year 1983, is generating new public dollars at the State and local levels, and helping local arts agencies support and stimulate arts activity in communities of all sizes nationwide. The Endowment's \$4 million is expected to generate some \$18 million in the first 2 years.

The community foundations initiative in the Expansion Arts Program is generating new private dollars at the local level for smaller, emerging, and underrepresented groups. Begun in fiscal year 1985, the grants were designed to address a specific need of these groups: access to private dollars. Community foundations will create permanent endowments whose funds will be restricted to smaller groups in their localities.

Responding to a sharp downturn in dance touring nationwide, the endowment in fiscal year 1983 launched a focused effort to reverse the trend. Joining hands with its public partners, the State and regional arts agencies, the endowment offered special incentive dollars—to be matched first at the State or regional level, then again at the local level. These funds go to dance presenters, particularly those in smaller and rural communities nationwide; the presenters bring dance companies into their communities, and share the Nation's dance excellence with scores of our citizens.

While I am pleased with the extension of the endowments proposed by H.R. 3248, I am dismayed by a few features contained in the bill. My chief concern relates to the creation, for the first time, of special regard for particular subgroups.

Over the 20-year history of the two endowments the Congress has scrupulously refrained from creating set-asides or other special privileges for any special group. The application process for grants has been equally open to all. Given normal political pressures to favor special interests, the Congress' policy of restraint and evenhandedness has been remarkable. It has been a tribute for 20 years to Congress' realization that the endowments run fair and open outside peer-review systems, with the endowment staff available to all who seek help in submitting and resubmitting applications. During the last reauthorization of the two agencies, in 1980, our committee once again subscribed to this policy of restraint.

This same policy was recommended once again by the vast majority of the witnesses before the committee during the current round of reauthorization hearings held this past spring and summer. One witness after another called for a 5-year reauthorization of these programs with very few or no substantive changes in the current legislation. For example:

The Association of American Universities testified that "there is no need for substantive changes in the legislation at this time."

Betty Allen, of the Harlem School of Arts, remarked that virtually every endowment panel on which she had served had provided broad ethnic representation and supported experimental work.

Robert Buck, of the Brooklyn Art Museum, on being questioned about whether it was a problem that New York City had no representative on the Institute of Museum Services board, replied that it was not a problem because he had confidence in the peer review system.

The American Arts Alliance testified that "the Endowment's authorizing legislation is brilliantly crafted" and, in commenting on the chairman of NEA's view that the legislation needed no substantive revision remarked that the alliance "firmly endorses that position."

Sondra Myers, representing the Federation of State Humanities Council, remarked that—

No serious issues have arisen because of language in the National Foundation on the Arts and Humanities Act. As it stands now, the law provides opportunities and means not only to do our job well but also, to do our job better and better. We therefore are seeking no changes in the act.

Only a few witnesses, representing particular special interests, called for special privileges for applications from their own groups. Even among these witnesses, few claimed that there was anything wrong with the current peer review process. No one witness claimed that there were any barriers to the application process. The claim was simply that outcomes were not satisfactory, that certain groups deserved more, regardless of how their applications would compete in the peer review process.

It should be noted that in fact, the endowments have made existing efforts in these areas. The National Foundation for the Arts through its Expansion Arts, Folk Arts and Advancement Programs, its important support for jazz, its grants to small dance and theater companies, museums, chamber and music groups, its test program of support for local art agencies and its programs of grants to individual artists.

NEH has also provided substantial support in this area. In fiscal year 1984 for example, over \$724,000 in

funds were awarded to historically black colleges and universities and to faculty members at these institutions. Grants to minority organizations in fiscal year 1983 included a grant for \$106,522 to the Southern Regional Council for a radio series on the civil rights movement and a grant of \$47,342 to the Rhode Island Black Heritage Society for a summer seminar for secondary school teachers on Frederick Douglass. In fact, in fiscal year 1983 NEH funded one out of every two black studies proposals submitted, overall a rate of success approximately twice that of the NEH average funding ratio of one out of four. Nonetheless, the committee report includes language directing the endowments to give particular regard to underrepresented artists and artistic groups.

Thus, on the basis of a minority opinion, the committee has chosen to deal with the dissatisfaction of a few by creating, for the first time, a special class of beneficiaries in the legislation. Under all specific authorities in current law for both agencies, the endowments are allowed to create programs in general subject matter or discipline areas. Under the proposed changes in H.R. 3248, for the first time the two endowments are compelled to give particular regard to specific groups of beneficiaries, notably women, minorities, the disabled and members of inner city, rural and tribal communities. To give the impression that emerging institutions and groups cannot compete effectively in the endowment review process improperly implies that these entities cannot compete on the basis of merit. I believe that this is an unprecedented course of action which I object to even though I support the long-term reauthorization of the endowments which H.R. 3248 proposes.

During the course of hearings and committee consideration of H.R. 3248 issues relating to postaward evaluation were raised. It is important to reemphasize the fact that the endowments have a formal process for conducting such evaluations with respect to their grantees. I was pleased to find that the endowments were in compliance with the Office of Management and Budget regulations in this area. The endowments' audit efforts compare quite favorably with the audit samples of other Federal agencies. Both endowments conduct site visits as a part of their evaluation processes. For NEA these site visits lie at the heart of the review of most of its ongoing support; it is important to note that the site visit program has increased by 1,000 percent since 1981. Nonetheless, although general accountability procedures have proven effective, the committee adopted amendments to strengthen this area.

A further concern has to do with the authorization levels contained in H.R. 3248. Although H.R. 3248 holds to the levels authorized in the fiscal year 1986 budget, these authorized ceilings are beyond what these agencies have testified that they need. I believe that we should consider bringing these authorization levels down consistently with the endowments' needs. I have concerns that the bill calls for "such sums" in the out years and hope that we will give the appropriations process some guidelines to follow in this area.

Despite my reservations concerning some of the changes contained in H.R. 3248, I feel that timely passage of this legislation is appropriate. H.R. 3248 renews our commitment to the Nation's cultural life.

□ 1240

Mr. Chairman, I reserve the balance of my time.

Mr. WILLIAMS. Mr. Chairman, I want to thank my colleague, the ranking member on the Subcommittee on Postsecondary Education, the gentleman from Missouri [Mr. COLEMAN], for his interest and assistance in this legislation. I also want to thank the ranking member on our Select Education Subcommittee, the gentleman from Texas [Mr. BARTLETT], as well, of course, as the chairman of the Subcommittee on Postsecondary Education, the gentleman from Michigan [Mr. FORD].

Mr. JEFFORDS. Mr. Chairman, I rise in support of H.R. 3248, the "Arts, Humanities, and Museum Amendments of 1985." As cochair of the arts caucus, I am pleased to be a part of the debate on the reauthorization bill for the National Endowment for the Arts [NEA], the National Endowment for the Humanities [NEH], and the Institute for Museum Services [IMS].

I believe that H.R. 3248 represents a reaffirmation of the need for and the value of the Endowments and IMS. Individually and collectively, these agencies, through their grant programs, protect our heritage, preserve our history, and promote our creativity. And equally important, through their support, they encourage others in the public and private sectors to do so as well.

With a Federal deficit of over \$200 billion, we are constantly challenged to reassess our priorities and to select as priorities those pertaining to national security, economic stability, and those truly in need. I fear within such a context, Federal support for the Endowments not only is given a low rating as a priority, it may be given a non-rating. We cannot, we must not let this happen.

Over their 20-year history the Endowments have captured who we are, where we are, and where we are headed. The Endowments have confirmed our convictions, documented our commitments, and conveyed our hopes.

H.R. 3248 is a reflection of this spirit which has guided the Endowments since

1965. It is also a reflection of American sentiment about the arts.

The arts play a significant role in the lives of the American people. According to a 1984 survey conducted by Louis Harris and Associates, Inc., Americans and the Arts, 92.7 percent assert that the arts are important to "the quality of life" in their own community, and 89 percent are convinced that the arts are important to the "business and economy" of their home community. Some 72 percent stated that they would "sorely miss the arts if they weren't available where they live."

In fact, there has been a sharp increase in the number of people willing to pay higher taxes to increase Federal funding for the arts: According to the survey 72 percent were willing to pay \$5 more in taxes themselves—up from 58 percent in 1975; 66 percent were willing to pay \$10 more; and 53 percent were willing to pay \$25 more in higher Federal income taxes to fund the arts federally—up from 41 percent in 1975.

This survey strongly suggests that the American people are convinced that funding for the arts is and must remain a high priority.

The provisions in H.R. 3248 strengthen and complement the activities of the Endowments. I would like to give four examples.

First, H.R. 3248 would allow the Endowments to continue and expand their commitment to access. Both Endowments have made an effort to reach out to rural America, to diverse ethnic and cultural groups, to citizens of all races, both men and women. The bill reinforces this effort by directing the Endowments to give particular regard to talent in typically underrepresented groups, including such talent in the inner city, rural areas, and tribal communities.

Second, the bill maintains the commitment to quality and excellence that has been the cornerstone of the Endowments' success. The Endowments have always maintained a standard of high quality in grant awards. Applications are reviewed by professionally recognized panels of experts, and only those applications which reflect superior literary and artistic merit are recommended for funding.

Third, support from the Endowments has always represented a "Good Housekeeping Seal" of approval which has helped grantees generate non-Federal dollars for projects and productions, as well as long term institutional stability. In recognition of this fact, the bill does not alter the flexibility which NEA and NEH now have to administer their matching programs.

Fourth, the bill also does not alter the provisions governing the relationships between NEA and State and local arts agencies, nor the relationships between NEH and State and local humanities councils. The growth in State and local entities can be directly traced to the establishment of NEA and NEH. Moreover, through such entities the Endowments are able to reach hundreds, perhaps thousands, that could

not be reached otherwise. In addition, through such agencies and councils, greater attention can be given to arts and humanities initiatives which are locally and regionally important.

In essence H.R. 3248 should be viewed as an affirmation of the strength, endurance, and contributions of the Endowments. It should also be considered a statement of their potential—to reach out more, to help more, to affect more, and to continue to make a difference in the pursuit of quality and opportunity in the arts and humanities. The current statute defining the Federal role in the arts and humanities has worked and is defensible. H.R. 3248 complements it and deserves our support. It is a legitimate national priority.

Mr. BIAGGI. Mr. Chairman, I rise in support of H.R. 3248, a bill to extend the programs under the National Endowment for the Arts, the National Endowment for the Humanities and the Institute for Museum Services for 4 years.

The bill before us provides us with an opportunity to reaffirm our support for a Federal role in supporting the arts and humanities in our culture. With this bill, we are providing access to the broadest array of artists, scholars and audiences in order to respond to the cultural and ethnic diversity that exists in this Nation. It also, I believe, responds to efforts to assure fairness in the way funds are provided to potential artists and scholars. Finally, it expands educational opportunities in both the arts and humanities areas in elementary and secondary schools which will both broaden participation and foster greater appreciation of these kinds of programs.

I am pleased that this bill also underscores continued support for the Endowment's Expansion Arts Program—the one program providing important access to underserved and underrepresented populations. These groups include ethnic and racial minorities, as well as women and disabled persons. The Arts Endowment, in my opinion, should continue to aggressively support emerging cultural organizations that have lacked access to seed money that would allow them to expand their base from non-Federal sources. In our field hearing in New York City, we heard firsthand testimony on the importance of these funds to smaller, community-based organizations.

We will be able to monitor the implementation of these new directives through requiring, as this bill does, annual reports on "State of the Arts" and "State of the Humanities" which will provide us with more detailed information on progress that is being made in this area.

I am also pleased that H.R. 3248 responds to the needs we have heard to expand representation on the National Council on the Arts to include a more geographically and broader based number of arts advocates that reflect the full cultural diversity of this Nation.

I also wish to commend the Chairman of the subcommittee, Mr. FORD, and Mr. WILLIAMS, for their efforts to bring this bill before the House today. I believe that they

have fairly and appropriately responded to the concerns of the artistic community, especially those who have heretofore been denied full and favorable access to Federal initiatives in this area.

Mr. AKAKA. Mr. Chairman, I rise in support of H.R. 3248. This bill extends the authorization of the National Endowment for the Arts [NEA], National Endowment for the Humanities [NEH], and the Institute of Museum Services through fiscal year 1989. The authorization levels for fiscal year 1986 represent the fiscal year 1985 appropriation plus \$400,000 to cover already approved salary increases for the NEA and the NEH, and \$3 million to cover an increased NEA appropriation for the Public Broadcasting System and National Public Radio.

This bill is an important contribution toward acknowledging the increasing value of the arts, humanities and museums in our society. We have a wealth of talent and resources in this country which need to be encouraged and nourished for the betterment of us all. The arts is a medium through which the perpetuation of our cultural heritage is transmitted to succeeding generations. It is an integral part of our society that the Federal Government is responsible for in ensuring that the songs are sung, the dances performed, and the arts are seen as they represent the greatness of the people of America.

I urge all of my colleagues to join me in passing this worthwhile legislation so that the preservation of our cultural growth can be assured.

Mr. PEPPER. Mr. Chairman, I rise in support of H.R. 3248, legislation which reauthorizes the National Endowments for the Arts and Humanities [NEA and NEH] and the Institute of Museum Services [IMS] through 1989. My interest in legislation supporting the arts spans a period of 47 years. In 1938, I was the first Congressman to introduce legislation promoting the arts.

I would like to congratulate the distinguished chairman of the Select Education Subcommittee and my fellow colleague of the arts caucus executive board, Congressman PAT WILLIAMS, for his able leadership in bringing this bill to the floor of the House of Representatives. I congratulate Chairman WILLIAMS for this essential legislation that reaches a wide geographical area and provides a broad cultural diversity. The National Endowments for the Arts and Humanities and the Institutes of Museum Services have a record of excellence in creativity in their endowment of grants and I congratulate them on this achievement.

I am pleased to support H.R. 3248, the reauthorization of the National Endowments for the Arts and Humanities and the Institute of Museum Services.

Mr. FRENZEL. Mr. Chairman, 20 years ago the Congress became involved in underwriting partial costs of arts and humanities programs in our country through passage of the National Foundation and the Endowments for the Arts and Humanities legislation. It was an admirable action with

the high intent of supporting in a small way a cultural resurgence while encouraging public participation through contribution.

Twenty years later this legislation has caused a growth like Medusa's hair. The first years were relatively controlled—we were still appropriating in the thousands of dollars. The midyears moved us into millions of dollars with threefold increases in appropriated funds. We are now looking at suggested authorizations of hundreds of millions of dollars in fiscal year 1986.

H.R. 3248 reauthorizes the Arts and Humanities for the next 4 years, with a combined fiscal year 1986 authorization of \$307 million and "such sums" through fiscal year 1989.

In 1976 the Institute of Museum Services was established and funded at \$100,000. In 1977 it jumped to \$4 million. This bill authorizes \$21.6 million and "such sums" through 1989.

The committee report states these federally founded, federally funded Endowments served as a catalyst for non-Government expenditures of \$4.08 billion in 1983. The rallying cry is that this kind of support would disappear if the Endowments were eliminated. Would all of the contributors who are interested participants cease to exist?

The report states the Endowments need to promote more rural arts development and emerging groups and institutions. It directs the Endowments to support more cultural and heritage diversity in its grants programs. It has made the reauthorization legislation gender free. These are admirable achievements and goals.

This bill also implements the Davis-Bacon Act for grants under the Humanities Endowment. Not only is it questionable whether we should underwrite the costs of the humanities programs but this legislation would mandate that construction grants come under the high priced, non-competitive Davis-Bacon Act. This proposed legislation also undertakes an EEOC plan which is bound to raise the administrative duties—and therefore cost—of the Humanities Endowment, and expand the original intent of this law.

We need music. We need art. We need dance. We need theater. We need literature. The museums need light bulbs and the grass needs fertilizer. But the American people—the American taxpayers—don't need them at this cost.

Mr. DOWNEY of New York. Mr. Chairman, I rise in support of the Arts, Humanities, and Museum Act of 1985 (H.R. 3248). I applaud Select Education Subcommittee chairman PAT WILLIAMS and all the members of the subcommittee for moving this important legislation to the floor for prompt action. On behalf of the nearly 200 members of the congressional arts caucus, I would like to express our great appreciation for the subcommittee's efforts.

Since the beginning of our Nation's history, our Federal Government's involvement with the arts has been minimal. It was not until the WPA programs of the

1930's that our Government took any major steps in support of cultural activities. But the establishment of the National Endowments for the Arts and Humanities [NEA and NEH] in 1965 and the creation of the Institute of Museum Services [IMS] in 1976 signified our recognition that the arts deserve a place on our national agenda. For the past two decades, that recognition has spurred a tremendous growth and interest in all types of cultural activities. Support from businesses, foundations, and individuals has grown, and all levels of government have joined together in unique programs to benefit our Nation's arts and humanities.

The National Endowments for the Arts and Humanities have assumed a major catalytic role in encouraging more private funding for America's culture. Since 1977, for example, \$110 million in NEA challenge grant funding has been matched by more than \$800 million in private contributions, despite the fact that the grants only require a 3-to-1 match. This Federal program has, obviously, met with much success and has played an important role in the public/private partnership supporting our arts and humanities.

This month we celebrate the 20th anniversary of NEA and NEH. The legislation we debate today has served our Nation's cultural community well over the past two decades. But as our participation in the arts and humanities has grown and various other needs have emerged, we find it necessary to fine tune our Federal cultural legislation to be responsive to these changes. Over the past year, Chairman WILLIAMS and his subcommittee have heard from a wide range of arts and humanities supporters and have carefully modified the legislation to meet emerging needs.

The bill highlights the growing concern for stronger arts/humanities education programs by adding specific language to the declaration of purpose and requests a major study on cultural education. H.R. 3248 also seeks to broaden access to the arts and humanities by encouraging greater support by the Endowments for typically underrepresented groups. In addition, the bill more carefully defines requirements for council members and panelists, codified postaward evaluation procedures, raises the ceiling for the Arts and Artifacts Indemnity Act, and provides authorization of appropriations for NEA, HEH, and IMS for the next 4 years.

Mr. Chairman, our Federal cultural agencies have served us extremely well for two decades. By approving the original legislation in 1965 and reaffirming it periodically for 20 years, we have shown that cultural concerns belong firmly on our national agenda. Let us maintain our strong support for our Nation's arts and humanities by approving H.R. 3248.

Mr. FAZIO. Mr. Chairman, I rise in support of H.R. 3248, the reauthorization of the National Foundation on the Arts and Humanities Act of 1965 and the Institute of Museum Services. This year is the 20th anniversary of the inception of the National Endowment for the Arts and the National

Endowment for the Humanities. This legislation has created a tremendously successful partnership of the Federal Government, State governments, the scholarly and artistic community, and private business. Limited Federal dollars have leveraged over \$4.08 billion in private contributions to the arts in 1983 alone. The National Endowment for the Arts and the Humanities have fostered excellence and creativity in artistic and scholarly enterprises across the country. These programs have made arts and humanities available to groups and locales which had previously been economically and geographically isolated.

The Endowments since their inception have had a great impact on the quality of arts in this country. Since 1965 public attendance of art galleries, museums, theater, dance, and opera have literally mushroomed. State arts agencies have been established in every State and over 2,000 local arts agencies have been created where none existed 20 years ago. The Endowments' budget represents a minuscule amount of the total Federal budget—less than two-tenths of 1 percent. Yet it has had a tremendous catalytic effect. These are moneys invested in our heritage and our civilization.

H.R. 3248 reauthorizes the Endowments for 4 years at the same levels this House passed earlier this summer in the Interior Appropriations bill. H.R. 3248 also takes important steps to ensure that the Endowments' funds are spent to foster excellence and that the Endowments' programs reflect the full diversity and richness of our heritage. The bill also strengthens the post-award evaluation process to ensure that taxpayers' dollars are spent responsibly. I urge your support of H.R. 3248.

Mr. WILLIAMS. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. COLEMAN of Missouri. Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. All time has expired.

□ 1250

Mr. WILLIAMS. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore [Mr. COELHO] having assumed the chair, Mr. GONZALEZ, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 3248) to amend the National Foundation on the Arts and the Humanities Act of 1965, and for other purposes, had come to no resolution thereon.

NATIONAL HISTORICALLY BLACK COLLEGES WEEK

Mr. LELAND. Mr. Speaker, I ask unanimous consent that the Commit-

tee on Post Office and Civil Service be discharged from further consideration of the Senate joint resolution (S.J. Res. 186) to designate the week of September 23, 1985, through September 29, 1985, as "National Historically Black Colleges Week," and ask for its immediate consideration.

The Clerk read the title of the Senate joint resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

Mr. COLEMAN of Missouri. Mr. Speaker, reserving the right to object, I do not object but simply would like to inform the House that the minority has no objection to the legislation now being considered.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate joint resolution as follows:

S.J. RES. 186

Whereas there are one hundred and two historically black colleges and universities in the United States;

Whereas such colleges and universities provide the quality education so essential to full participation in a complex, highly technological society;

Whereas black colleges and universities have a rich heritage and have played a prominent role in American history;

Whereas such institutions have allowed many underprivileged students to attain their full potential through higher education; and

Whereas the achievements and goals of the historically black colleges are deserving of national recognition: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the week of September 23, 1985, through September 29, 1985, is designated as "National Historically Black Colleges Week" and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States and interested groups to observe such week with appropriate ceremonies, activities, and programs, thereby demonstrating support for historically black colleges and universities in the United States.

The Senate joint resolution was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LELAND. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on Senate Joint Resolution 186, the Senate joint resolution just considered and passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

GENERAL LEAVE

Mr. COLEMAN of Missouri. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3248, the arts and humanities reauthorization bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

U.S. EARTHQUAKE RESEARCH NEEDED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. STARK] is recognized for 5 minutes.

Mr. STARK. Mr. Speaker, the two earthquakes which seized and shook Mexico last Friday and Saturday exacted horrifying human and physical costs from that country. If the graphic pictures we've seen and the numbing toll of statistics we've read do anything for us, let them jolt us into action to protect our citizens from the inevitable earthquake that will level some part of our country.

A bill I introduced on February 19, 1985, H.R. 1144, would establish and fund an Earthquake Engineering Research Center to engage in research and testing in seismic engineering to develop more effective earthquake-resistant structures. The cost of this Center would be relatively low and could be funded entirely by a temporary excise tax on items common to all large buildings—passenger escalators and elevators. Certainly, compared to what we've seen in Mexico, the Center would be inexpensive. That bill is still pending before committees and I would like to renew my call for swift consideration and passage of the measure.

Mr. Speaker, in case some people are not convinced of the urgency of this situation, let me cite some facts. There will be an earthquake in this country in the foreseeable future; the only question is when and where. California scientists have calculated a 50-to-90 percent chance of an earthquake centered along the San Andreas Fault measuring between 7.5 and 8.5 on the Richter scale, slightly stronger than the one in Mexico, within the next 30-50 years.

Unstable soil under Mexico City caused extreme shaking and extensive damage there, despite the fact that the quake was centered over 200 miles away. In many parts of California, the soil is characteristically similar and equally unstable to that in Mexico City. San Francisco and Los Angeles are less than 500 miles apart and, given the quality of much of California's soil, an earthquake centered between those two cities could conceivably devastate them both. Extensive, focused research in seis-

mic engineering could develop structures able to survive a major quake, despite the flimsy earth beneath them.

There is such research being done in California, but much more is needed. While much will be learned from the tragedy in Mexico, we should not have to wait for future earthquakes to learn more. Mr. Speaker, we urgently need a research and testing center and we need it now, before America suffers through a cataclysm like this one in Mexico. I urge swift passage of H.R. 1144 before it's too late.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. COLEMAN of Missouri) to revise and extend their remarks and include extraneous matter:)

Mr. PARRIS, for 30 minutes, on September 30.

Mr. LEACH of Iowa, for 5 minutes, today.

(The following Members (at the request of Mr. LELAND) to revise and extend their remarks and include extraneous matter:)

Mr. STARK, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. COLEMAN of Missouri) and to include extraneous matter:)

Mr. HAMMERSCHMIDT.

Mr. GILMAN in two instances.

Mr. CONTE.

Mr. JEFFORDS.

(The following Members (at the request of Mr. LELAND) and to include extraneous matter:)

Mr. BEDELL.

Mr. KANJORSKI.

Mr. LELAND.

Mr. LANTOS.

Mr. ADDABBO.

Mr. ACKERMAN.

Mrs. KENNELLY.

Mr. HUBBARD.

Mr. OLIN.

Mr. FLORIO.

Mr. OWENS.

Mr. BROWN of California.

ADJOURNMENT

Mr. LELAND. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 55 minutes p.m.), under its previous order, the House adjourned until Thursday, September 26, 1985, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2038. A letter from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to repeal section 4351(b) of title 10, United States Code, relating to the reexamination and readmission of cadets of the U.S. Military Academy who fail to pass a required examination; to the Committee on Armed Services.

2039. A letter from the Auditor, District of Columbia, transmitting a report entitled, "Rescission of Report Entitled, Outstanding Liens Against Samuel C. Jackson Plaza Project Parcels," pursuant to Public Law 93-198, section 455(d); to the Committee on the District of Columbia.

2040. A letter from the Secretary of Education, transmitting final regulations for miscellaneous amendments to the Rehabilitation Act of 1973, as amended, pursuant to GEPA, section 431(d)(1) (88 Stat. 567; 90 Stat. 2231; 95 Stat. 453); to the Committee on Education and Labor.

2041. A letter from the Director, Office of Legislative Affairs, Agency for International Development, transmitting justification for an increase in assistance levels for Tunisia, pursuant to 22 U.S.C. 2413(b); to the Committee on Foreign Affairs.

2042. A letter from the Director, Personnel and Benefits, Farm Credit Banks, transmitting the 12th farm credit district annual report for plan year 1984, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

2043. A letter from the Commissioner of Examinations, Immigration and Naturalization Service, transmitting an order granting defector status in the case of Ian Alexander Farquhar Stokes, pursuant of INA, section 212(a)(28)(i)(ii)(b) (66 Stat. 182); to the Committee on the Judiciary.

2044. A letter from the Commissioner of Examinations, Immigration and Naturalization Service, transmitting an order granting defector status in the case of Ian Alexander Farquhar Stokes, pursuant of INA, section 212(a)(28)(i)(ii)(b) (66 Stat. 182); to the Committee on the Judiciary.

2045. A letter from the Administrator, transmitting the annual report of the Administrator of Veterans Affairs, pursuant to 38 U.S.C. 214, 221(c), 1521 and 4001(c)(3); to the Committee on Veterans' Affairs.

2046. A letter from the Secretary of Transportation, transmitting the results of inspections made on interstate natural gas transmission pipeline facilities, pursuant to 49 U.S.C. App. 1682 note; jointly, to the Committees on Public Works and Transportation and Energy and Commerce.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. EDGAR:

H.R. 3419. A bill relating to the tariff treatment of certain casing; to the Committee on Ways and Means.

By Mr. DAUB (for himself and Mr. DORGAN of North Dakota):

H.R. 3420. A bill to amend the Internal Revenue Code of 1954 to allow deduction to self-employed individuals for contributions to accident or health plans for medical care; to the Committee on Ways and Means.

By Mr. FAZIO (for himself and Mr. MILLER of California):

H.R. 3421. A bill to provide for a cooperative agreement between the Secretary of the Interior and the State of California and the Suisun Resources Conservation District to improve and manage the Suisun Marsh in California; to the Committee on Interior and Insular Affairs.

By Mr. SAVAGE:

H.R. 3422. A bill to amend the National Housing Act to require the Secretary of Housing and Urban Development to carry out the programs of temporary mortgage assistance payments and mortgage acquisitions to assist homeowners in avoiding foreclosure; to the Committee on Banking, Finance and Urban Affairs.

By Mr. YATRON (for himself, Mr. EDGAR, and Mr. RITTER):

H.R. 3423. A bill to provide for research regarding radon exposure and for emergency response to adverse health effects associated with radon exposure, and for other purposes; to the Committee on Energy and Commerce.

By Mr. BIAGGI:

H. Res. 271. Resolution expressing the deep concern of the House of Representatives over the pending Supplementary Extradition Treaty between the United States and the United Kingdom of Great Britain and Northern Ireland; jointly, to the Committees on the Judiciary and Foreign Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 776: Mr. SHUMWAY, Mr. MCKERNAN, Mr. PACKARD, and Mr. ROE.

H.R. 983: Mr. BARNES, Mr. SCHEUER, Mr. VISCLOSKEY, Mr. BORSKI, Mr. MCCOLLUM, Mr. OBERSTAR, Mr. FOGLIETTA, Mr. HAMMER-SCHMIDT, Mr. DEWINE, Mr. MANTON, Mr. KANJORSKI, Ms. OAKAR, Mr. MONSON, Mr. MCKINNEY, and Mr. KASTENMEIER.

H.R. 1188: Mr. BLAZ and Mr. BEDELL.

H.R. 1809: Mr. LUKEN.

H.R. 3040: Mr. OWENS, Mr. HERTEL of Michigan, and Mr. BONIOR of Michigan.

H.R. 3045: Mr. BROWN of California.

H.R. 3132: Mrs. ROUKEMA, Mr. GEJDENSON, Mr. BERMAN, Mr. BORSKI, and Mr. ROE.

H.R. 3180: Mr. FLIPPO, Mr. MATSUI, Mr. McGRATH, and Mr. PICKLE.

H.R. 3263: Mr. REID and Mr. ST GERMAIN.

H.J. Res. 1: Mr. WAXMAN.

H.J. Res. 275: Mr. BIAGGI, Mr. BERMAN, Mr. FAZIO, Mr. MICA, Mr. FAWELL, Mr. COURTER, Mr. FLORIO, Mrs. ROUKEMA, Ms. SNOWE, Mr. RAHALL, Mr. FUSTER, Mr. LENT, Mr. STRATTON, Mr. TOWNS, Mr. WORTLEY, Mr. DWYER of New Jersey, Mr. HENRY, Mr. GRAY of Pennsylvania, Mr. BURTON of Indiana, Mr. LIVINGSTON, Mr. STRANG, Mr. CHAPPIE, Mr. EDGAR, and Mr. CARPER.

H.J. Res. 381: Mr. DIOGUARDI and Mr. ROE.

H. Con Res. 180: Mr. FUSTER, Mr. RICHARDSON, Mr. ROYBAL, Mr. ORTIZ, Mr. MARTINEZ, Mr. DE LA GARZA, Mr. BUSTAMANTE, Mr. TORRES, Mr. LUJAN, Mr. COELHO, Mr. GONZALEZ, Mr. RUDD, Mr. BIAGGI, Mr. VALENTINE, Mr. BONER of Tennessee, Mr. CROCKETT, Mr. WOLPE, Mr. BLAZ, Mr. FAUNTROY, Mr. HUB-

BARD, Mr. QUILLEN, Mr. SUNIA, Mr. AKAKA, Mr. BADHAM, Mr. FISH, and Mrs. COLLINS.

H. Res. 74: Mr. MCCAIN, Mr. NELSON of Florida, Mr. YATES, Mr. CARPER, Mr. BRYANT, Mr. DONNELLY, Mr. GEJDENSON, Mr. LUNGREN, Mr. FOGLIETTA, Mr. COOPER, Mr. KOSTMAYER, Mr. HORTON, Mr. SEIBERLING, Mr. GRADISON, Mr. SYNAR, Mr. ROBINSON, Mr. ATKINS, Mr. GUNDERSON, Mr. ECKERT of New York, Mr. STRANG, Mr. SWINDALL, and Mrs. ROUKEMA.

PETITIONS, ETC.

Under clause 1 of rule XXII,

214. The SPEAKER presented a petition of the clerk of the legislature of Herkimer County, NY, relative to taxes; which was referred to the Committee on Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2100

By Mr. ALEXANDER:

Strike out all after the enacting clause and insert in lieu thereof the following:

That this Act, with the following table of contents, may be cited as the "Farm Policy Reform Act of 1985".

TABLE OF CONTENTS

TITLE I—AGRICULTURAL COMMODITY SUPPLY MANAGEMENT

Sec. 101. Agricultural commodity supply management.

Sec. 102. Extension of wool and mohair program.

Sec. 103. Suspension of permanent program.

TITLE II—AGRICULTURAL CREDIT

Sec. 201. Guaranteed loans.

Sec. 202. Limited resource real estate loans.

Sec. 203. Farm record keeping training for limited resource borrowers.

Sec. 204. Limitations on total indebtedness for operating loans.

Sec. 205. Limited resource operating loans.

Sec. 206. Eligibility for emergency loans.

Sec. 207. Written credit declinations for emergency loans.

Sec. 208. Purpose and extent of emergency loans.

Sec. 209. Emergency loan limitations and repayment.

Sec. 210. Subsequent emergency loans.

Sec. 211. Loan moratorium.

Sec. 212. Loan defaults.

Sec. 213. County committees.

Sec. 214. Prompt approval of loans and loan guarantees.

Sec. 215. Farm program appeals.

Sec. 216. Disposition and leasing of farmland.

Sec. 217. Release of normal income security.

Sec. 218. Loan summary statements.

Sec. 219. Family farm definition.

Sec. 220. Authorization of limited resource loan amounts.

Sec. 221. Farm and home plan study.

TITLE III—AGRICULTURAL EXPORTS AND IMPORTS

SUBTITLE A—AGRICULTURAL EXPORTS

Sec. 301. Sales to developing countries for foreign currencies.

Sec. 302. Use of foreign currency receipts for development assistance pro-

grams.

Sec. 303. Use of private trade entities to expand private economic enterprise.

Sec. 304. Intermediate credit.

Sec. 305. Minimum quantity of agricultural commodities distributed for famine relief.

Sec. 306. Multiyear agreements with non-profit voluntary agencies and cooperatives.

Sec. 307. Disaster reserve.

Sec. 308. Processed product and fortified grain reserve.

Sec. 309. Authorization of appropriations to reimburse Commodity Credit Corporation for famine relief.

Sec. 310. Authorization of appropriations to purchase foreign currencies for famine relief.

Sec. 311. Multilateral agreements for famine relief.

SUBTITLE B—AGRICULTURAL IMPORTS

Sec. 320. Agricultural imports.

Sec. 321. Labeling imported meat.

Sec. 322. Serving imported meat.

TITLE IV—SOIL AND WATER CONSERVATION

SUBTITLE A—SOIL AND WATER CONSERVATION

Sec. 401. Training of soil conservation service personnel.

Sec. 402. Dry land farming.

Sec. 403. Local and State committees.

Sec. 404. Agricultural conservation program.

Sec. 405. Conservation reserve program.

Sec. 406. Water conservation program.

SUBTITLE B—CONSERVATION OF HIGHLY ERODIBLE LAND AND WETLANDS

Sec. 410. Definitions.

Sec. 411. Program ineligibility for production on highly erodible land or converted wetland.

Sec. 412. Exemptions.

Sec. 413. Completion of soil surveys.

Sec. 414. Conservation Reserve Program.

Sec. 415. Administrative provisions.

Sec. 416. Satisfying requirement with highly erodible cropland.

TITLE V—FOOD ASSISTANCE PROGRAMS

SUBTITLE A—FOOD STAMP PROGRAM

Sec. 501. Adjustment of thrifty food plan.

Sec. 502. Earned income deduction.

Sec. 503. Dependent care and excess shelter deductions.

Sec. 504. Calculation of income.

Sec. 505. Supplementation of allotments.

Sec. 506. Resource limitations.

Sec. 507. Personal property limitations.

Sec. 508. Food stamp information.

Sec. 509. Authorization for appropriations.

SUBTITLE B—CHILD NUTRITION PROGRAMS

Sec. 520. Summer food service program for children.

Sec. 521. School breakfasts.

SUBTITLE C—FOOD DISTRIBUTION PROGRAMS

Sec. 530. Commodity supplemental food program.

Sec. 531. Temporary emergency food assistance program.

SUBTITLE D—EFFECTIVE DATE

Sec. 540. Effective date.

TITLE VI—EFFECTIVE DATE

Sec. 601. Effective date.

**TITLE I—AGRICULTURAL
COMMODITY SUPPLY MANAGEMENT**
**AGRICULTURAL COMMODITY SUPPLY
MANAGEMENT**

Sec. 101. Effective only for the 1986 through 1999 crops, title V of the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended to read as follows:

**"TITLE V—AGRICULTURAL
COMMODITY SUPPLY MANAGEMENT**
"DEFINITIONS

"Sec. 501. As used in this title:

"(1) The term 'acreage allotment percentage' means a percentage obtained by dividing \$200,000 by the projected annual income of a producer during a calendar year in which a commodity will be harvested, except that such percentage may not exceed 100 per centum.

"(2) The term 'commodity' means wheat, corn, grain sorghums, barley, oats, rye, upland cotton, rice, and soybeans.

"(3) The term 'eligible crop acres' means the number of acres a producer may cultivate for the production of a commodity during a crop year determined under section 506(b)(2).

"(4) The term 'normal crop acres' means the number of acres cultivated for the production of a commodity, or reduced, set-aside, or diverted under a program administered by the Secretary, during any of the four preceding crop years.

"(5) The term 'program period' means the—

- "(A) 1986 through 1989 crop years;
- "(B) 1990 through 1993 crop years;
- "(C) 1994 through 1997 crop years; and
- "(D) 1998 and 1999 crop years.

"(6) The term 'reserve' means the farmers disaster reserve established under section 510.

"REFERENDUM

"Sec. 502. (a) No later than August 1, 1985 (or as soon as practicable after the date of enactment of the Farm Policy Reform Act of 1985), August 1, 1989, August 1, 1993, and August 1, 1997, in order to determine whether the program established by this title shall be implemented during the succeeding program period, the Secretary shall conduct a referendum among producers who, during a representative period (as determined by the Secretary), have been engaged in the production of a commodity for commercial use.

"(b) If the program established by this title is approved by at least one-half of the eligible producers voting in a referendum, the Secretary shall implement such program during the succeeding program period.

"(c) If such program is not approved by at least one-half of the eligible producers voting in a referendum, during the succeeding program period, in lieu of such program, the Secretary shall provide such loans, purchases, payments, and other assistance to producers of commodities as the Secretary considers appropriate.

"LOAN RATES

"Sec. 503. (a) The Secretary shall make available to producers loans and purchases for each crop of a commodity produced during a program period at such level, not less than the minimum support level for a commodity established under subsection (b), as the Secretary determines taking into consideration the actual cost of production of the commodity throughout the United States.

"(b) The minimum support level for a commodity during a crop year established

under this subsection shall equal a specified per centum of the parity price of the commodity as provided in the following table:

The minimum support level for a commodity during the:	Shall equal the following per centum of the parity price of the commodity:
1986 crop year.....	70
1987 crop year.....	72
1988 crop year.....	74
1989 crop year.....	76
1990 crop year.....	78
1991 crop year.....	80
1992 crop year.....	82
1993 crop year.....	84
1994 crop year.....	86
1995 crop year.....	88
1996 through 1999 crop year.....	90.

"(c) The term of a loan made under this section shall be thirty-six months.

"NATIONAL MARKETING QUOTAS

"Sec. 504. (a) The Secretary shall proclaim a national marketing quota for each commodity for each marketing year of the 1986 through 1999 crops of commodities. The proclamation shall be made as soon as practicable during each calendar year preceding the year in which the marketing year for the crop begins.

"(b) The amount of the national marketing quota for a commodity for a marketing year shall be an amount of the commodity (less imports) that the Secretary estimates will be utilized during the marketing year to meet (1) domestic demand, (2) export demand, (3) food aid requirements, and (4) carryover requirements.

"(c) The Secretary may revise the national marketing quota first proclaimed for any marketing year for the purpose of determining national acreage allotments under section 505 if the Secretary determines it necessary based on the latest information. The Secretary shall proclaim such revised national production requirement as soon as it is made.

"(d) If the Secretary determines that domestic carryover stocks of a commodity are excessive or an increase in stocks is needed to assure desirable carryover, the Secretary may adjust the national marketing quota by the amount the Secretary determines will accomplish the desired increase or decrease in carryover stocks.

"NATIONAL ACREAGE ALLOTMENTS

"Sec. 505. (a) The Secretary shall proclaim a national acreage allotment for each commodity for each of the 1986 through 1999 crop years.

"(b) The amount of the national acreage allotment for any crop of a commodity shall be the number of acres which the Secretary determines on the basis of the projected national yield and expected underplantings (acreage other than acreage not harvested because of program incentives) of farm acreage allotments will produce an amount of the commodity equal to the national marketing quota for the commodity for the marketing year for such crop.

"FARM ACREAGE ALLOTMENTS

"Sec. 506. (a) The national acreage allotment for a commodity shall be apportioned by the Secretary among farms, through local committees, in accordance with this section.

"(b)(1) To be eligible to receive a farm acreage allotment for a commodity for any crop year, a producer must complete and submit to the Secretary an application which contains—

"(A) the eligible crop acres of the producer, as determined under paragraph (2);

"(B) the projected annual income of the producer during the calendar year in which such commodity will be harvested, as determined under paragraph (3); and

"(C) the number of any bonus acres the producer requests to be awarded under subsection (f) for the production of each commodity during the crop year.

"(2)(A) Except as provided in subparagraphs (B), (C), and (D), the eligible crop acres of a producer shall equal the number of acres a producer requests to cultivate for the production of commodities during a crop year.

"(B) The total number of eligible crop acres of a producer during a crop year may not exceed the product obtained by multiplying—

"(i) the normal crop acres of the producer; by

"(ii) 85 per centum.

"(C) If a producer earns less than 50 per centum of the taxable income of the producer from farming operations, the total number of eligible crop acres of the producer during a crop year shall, after application of subparagraph (B), be reduced by an additional 10 per centum of the total number of acres determined under subparagraph (B).

"(D) For purposes of subparagraph (B)(i), if a producer places acreage in the conservation reserve program established under section 16B of the Soil Conservation and Domestic Allotment Act, such acreage shall be added to the normal crop acres of the producer.

"(3) For purposes of this title, income shall—

"(A) include all farm and nonfarm income from whatever source;

"(B) be determined jointly for married couples; and

"(C) be determined separately for unmarried individuals living on a farm who—

"(i) are related by blood or marriage;

"(ii) are actively involved in the farming operation; and

"(iii) earn more than 50 per centum of their taxable income from farming operations.

"(c) The total farm acreage allotment of a producer for all commodities produced during a crop year under this section shall consist of the sum of—

"(1) the base acreage allotment for each commodity determined under subsection (d);

"(2) any supplemental acreage allotment for each commodity determined under subsection (e); and

"(3) any bonus acres for each commodity awarded under subsection (f).

"(d) The base acreage allotment of a producer for a commodity for a crop year shall equal the number of acres obtained by multiplying—

"(1) eligible crop acres of the producer; by

"(2) acreage allotment percentage of the producer.

"(e)(1) The Secretary shall determine the amount of any national supplemental acreage allotment for each commodity for each of the 1986 through 1999 crop years.

"(2) The amount of the national supplemental acreage allotment for a commodity for each crop year shall equal the difference between—

"(A) the amount of the national acreage allotment for such commodity for the crop year determined under section 505; less

"(B) the sum of the base acreage allotments of all producers for such commodity determined under subsection (d).

"(3) The supplemental acreage allotment of a producer for a commodity produced during a crop year shall equal the number of acres obtained by multiplying—

"(A) the difference between the eligible crop acres of the producer for such commodity and the base acreage allotment of the producer for such commodity; and

"(B) the percentage obtained by dividing—

"(i) the amount of the national supplemental acreage allotment for such commodity determined under paragraph (2); by

"(ii) the total of all supplemental acreage requests for such commodity determined under clause (A).

"(f) If the Secretary determines that the total amount of base and supplemental acreage allotments for a commodity for a crop year determined under subsections (d) and (e) would not produce an amount of the commodity equal to the national marketing quota for the commodity for the crop year determined under section 505, the Secretary shall award to each producer who requested bonus acres under subsection (b)(1)(C), in equal amounts, bonus acres for the production of such commodity which, in the aggregate and in conjunction with such allotments, would result in the production of an amount of such commodity equal to such national marketing quota.

"(g)(1) Except as provided in paragraph (2), a producer may plant one or more commodities (in the producer's discretion) on acreage permitted to be cultivated under a farm acreage allotment issued under this section for a crop year.

"(2) A producer may not increase the amount of acreage used for the production of a commodity during a crop year by more than 20 per centum over the amount of acreage used for the production of such commodity during the preceding crop year.

"(3) In order to permit the Secretary to issue marketing certificates under section 507, a producer shall inform the Secretary of the number of acres the producer will use for the production of each commodity during each crop year.

"(h) If the normal crop acres of a producer becomes available for any reason, such normal crop acres shall revert to the Secretary and be reapportioned by the Secretary to the next operator of the farm.

"MARKETING CERTIFICATES

"Sec. 507. (a) At the time a producer is assigned a farm acreage allotment under section 506 for any crop year, the Secretary shall issue marketing certificates to such producer for each commodity to be produced during such crop year.

"(b) Except as provided in subsections (c) and (d), a marketing certificate issued to a producer for any commodity for any crop year shall authorize such producer to market, barter, or donate an amount of such commodity determined by multiplying—

"(1) the number of acres the producer informed the Secretary the producer will use for the production of such commodity during such crop year under section 506(g)(3); by

"(2) the higher of—

"(A) the county average yield per acre for such commodity; or

"(B) the farm program yield of the producer for such commodity (as provided in section 508).

"(c) The Secretary may adjust the amount of a commodity which may be marketed, bartered, or donated under a marketing cer-

tificate to reflect the amount of such commodity which may be used for feed, human consumption, or other purposes on the farm of the producer.

"(d) If the amount of a commodity produced in a crop year exceeds the amount of the commodity which may be marketed, bartered, or donated under a marketing certificate, the surplus amount of such commodity may be—

"(1) used for feed, human consumption, or other purposes on the farm of the producer;

"(2) stored during the current marketing year and marketed under a marketing certificate issued for the subsequent marketing year;

"(3) donated to the Commodity Credit Corporation in order to be made available to provide famine relief and assistance to other foreign countries under title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.); or

"(4) sold to the Commodity Credit Corporation, at no more than 50 per centum of the loan level for such commodity determined under section 503, in order to be made available to provide such famine relief and assistance.

"(e) A person may not purchase or otherwise acquire an amount of a commodity from a producer in excess of the amount of the commodity which may be marketed, bartered, or donated by such producer under a marketing certificate.

"FARM PROGRAM YIELDS

"Sec. 508. (a)(1) The farm program yield for each crop of a commodity shall be equal to the sum of—

"(A) the average yield established for the farm for the five most recent crop years, excluding the year in which the yield was the highest and the year in which the yield was the lowest, adjusted by the Secretary to provide a fair and equitable yield; and

"(B) the average amount of such commodity received from the farmers disaster reserve established under section 510 during the three crop years used to determine the average yield for the farm under clause (A).

"(2) If no payment yield for such commodity was established for the farm in the five most recent crop years, the Secretary may determine such yield as the Secretary determines fair and reasonable.

"(b) Notwithstanding subsection (a):

"(1) In the determination of yields, the Secretary shall take into account the actual yields demonstrated by the producer to the satisfaction of the Secretary.

"(2) Neither such yields established for a commodity nor the farm program yield established on the basis of such yields shall be reduced under other provisions of this section.

"(c) If the Secretary determines it necessary, the Secretary may establish national, State, or county program payment yields on the basis of—

"(A) historical yields, as adjusted by the Secretary to correct for abnormal factors affecting such yields in the base period, or

"(B) if such data are not available, the Secretary's estimate of actual yields for the crop year concerned.

"(d) If national, State, or county program payment yields are established, the total farm program yields shall balance to the national, State or county program payment yields, respectively.

"CONSERVATION OF SET-ASIDE ACREAGE

"Sec. 509. (a) A producer of a commodity shall devote to approved conservation uses all acreage of the producer which the pro-

ducer is required to set-aside under section 506.

"(b) The Secretary may make such adjustments in the amount of acreage the producer is required to set-aside under section 506 as the Secretary determines necessary to correct for abnormal factors affecting production and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, topography, and such other factors as the Secretary determines appropriate.

"(c)(1) Regulations issued by the Secretary under this section with respect to acreage required to be devoted to conservation uses shall require appropriate measures to protect such acreage against noxious weeds and wind and water erosion.

"(2) The Secretary may permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of such acreage to be devoted to hay and grazing if the Secretary determines that such production is needed to provide an adequate supply of such commodities, is not likely to increase the cost of the price support program, and will not affect farm income adversely.

"(d)(1) Any set-aside acreage may be devoted to wildlife food plots or wildlife habitats in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(2) The Secretary may pay such amount as the Secretary considers appropriate of the cost of practices designed to carry out the purposes of paragraph (1).

"(3) The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public, for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(e)(1) A producer of a commodity shall execute an agreement with the Secretary which describes the means the producer will use to comply with this section not later than such date as the Secretary may prescribe.

"(2) The Secretary may, by mutual agreement with such producer, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"FARMERS DISASTER RESERVE

"Sec. 510. (a) The Secretary shall establish a farmers disaster reserve for each commodity for the 1986 through 1999 crop years.

"(b)(1) Each producer of a commodity shall contribute to the reserve each crop year a portion of the total amount of each commodity produced in the United States during the crop year.

"(2) The portion of commodities required to be contributed by a producer under paragraph (1) shall be determined by the Secretary on an actuarially sound basis at a level which will enable the Secretary to compensate producers with commodities from the reserve in accordance with this section in the event producers suffer crop losses as the result of natural disasters or other conditions beyond the control of producers.

"(3) To the extent practicable, the Secretary shall store commodities received from a producer under paragraph (1) in warehouses

located in the area in which the producer is located.

"(c) The Secretary shall compensate a producer with commodities from the reserve if the Secretary determines that as a result of drought, flood, or other natural disaster, or other condition beyond the control of the producer, the total quantity of a commodity the producer is able to harvest on any farm is less than the quantity determined by multiplying 90 per centum of the quantity of the commodity the producer is authorized to market, barter, or donate under a marketing certificate issued under section 507.

"(d)(1) Except as provided in paragraph (2), the quantity of a commodity a producer is entitled to receive as compensation for a loss sustained during a crop year under subsection (c) shall equal the difference between—

"(A) 90 per centum of the quantity of the commodity the producer is authorized to market, barter, or donate under a marketing certificate issued under section 507; and

"(B) the actual amount of such commodity produced during such crop year.

"(2) The total value of commodities a producer may receive as compensation for any loss under subsection (c) may not exceed \$360,000.

"(e) If the quantity of commodities contained in the reserve is not sufficient to compensate producers with commodities in accordance with this section, the Secretary may use stocks of commodities owned by the Commodity Credit Corporation to maintain the reserve at a level which is sufficient to compensate producers with such commodities in accordance with this section.

"SOIL CONSERVATION

"Sec. 511. (a) Notwithstanding any other provision of law, the Secretary shall require that producers on a farm in any area follow the conservation practices prescribed by the appropriate local soil conservation district for the area.

"(b) In areas in which no soil conservation district exists, the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) shall determine appropriate conservation practices.

"PENALTIES

"Sec. 512. (a)(1) Except as provided in subsection (b), if a producer fails to comply with any term or condition of the program conducted under this title, the producer shall be ineligible for any farm acreage allotment, loan, purchase, or payment authorized under this title.

"(2) Except as provided in subsection (c), if a producer markets, barter, or donates a commodity without a marketing certificate required under section 507 or markets, barter, or donates an amount of a commodity for commercial use in excess of the amount of the commodity the producer is permitted to market, barter, or donate under such certificate, the Secretary shall—

"(A) assess a fine against such producer in an amount equal to three times the value of the commodities so marketed; or

"(B) increase the number of acres such producer is required to set aside under section 506 during the succeeding crop year by a number of acres which, if planted, would result in the production of a quantity sufficient to satisfy the fine referred to in clause (A).

"(3) If a person purchases or otherwise acquires an amount of a commodity from a producer in excess of the amount of the commodity which may be marketed, bar-

tered, or donated by such producer under a marketing certificate issued under section 507, the Secretary shall assess a fine against such person in an amount equal to three times the value of the commodities so purchased or acquired.

"(b)(1) If a producer fails to comply fully with the terms and conditions of the program conducted under this section and the Secretary believes the failure should not preclude the making of a farm acreage allotment, or loans, purchases, or payments to the producer, the Secretary may make an allotment or loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure of the producer.

"(2) The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"REGULATIONS

"Sec. 513. The Secretary may issue such regulations as the Secretary determines necessary to carry out this title.

"COMMODITY CREDIT CORPORATION

"Sec. 514. The Secretary shall carry out the program authorized by this title through the Commodity Credit Corporation.

"PAYMENTS

"Sec. 515. (a) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)) (relating to assignment of payments) shall apply to payments under this title.

"(b) The Secretary shall provide for the sharing of payments made under this title for any farm among the producers on the farm on a fair and equitable basis."

EXTENSION OF WOOL AND MOHAIR PROGRAM

SEC. 102. Section 703 of the National Wool Act of 1954 (7 U.S.C. 1782) is amended by striking out "1985" each place it appears in subsections (a) and (b) and inserting in lieu thereof "1990".

SUSPENSION OF PERMANENT PROGRAM

SEC. 103. (a)(1) Sections 379d, 379e, 379f, 379g, 379h, 379i, and 379j of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379d-1379j) (which deal with marketing certificate requirements for processors and exporters) shall not be applicable to wheat processors or exporters during the period June 1, 1986, through May 31, 2000.

(2) Sections 331, 332, 333, 334, 335, 336, 338, 339, 379b, and 379c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1331-1336, 1338, 1339, 1379b, and 1379c) shall not be applicable to the 1986 through 1999 crops of wheat.

(3) The joint resolution entitled "A joint resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended", approved May 26, 1941 (7 U.S.C. 1330 and 1340), shall not be applicable to the crops of wheat planted for harvest in the calendar years 1986 through 1999.

(4) Section 107 of the Agricultural Act of 1949 (7 U.S.C. 1445a) shall not be applicable to the 1986 through 1999 crops of wheat.

(5) Section 105 of the Agricultural Act of 1949 (7 U.S.C. 1444b) shall not be applicable to the 1986 through 1999 crops of feed grains.

(c)(1) Sections 342, 343, 344, 345, 346, and 377 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1342-1346 and 1377) shall not be applicable to upland cotton of the 1986 through 1999 crops.

(2) Effective only with respect to the period beginning August 1, 1987, and ending July 31, 2000, the tenth sentence of section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427) is amended by striking out all through "110 per centum of the loan rate, and (2)" and inserting in lieu thereof the following: "Notwithstanding any other provision of law, (1) the Commodity Credit Corporation shall sell upland cotton for unrestricted use at the same prices as it sells upland cotton for export, in no event, however, at less than 115 per centum of the loan rate for Strict Low Middling one and one-sixteenth inch upland cotton (micronaire 3.5 through 4.9) adjusted for such current market differentials reflecting grade, quality, location, and other value factors as the Secretary determines appropriate plus reasonable carrying charges, and (2)".

(3) Sections 103(a) and 203 of the Agricultural Act of 1949 (7 U.S.C. 1444(a) and 1446d) shall not be applicable to the 1986 through 1999 crops.

(4) Notwithstanding any other provision of law, the permanent State, county, and farm base acreage allotments for the 1977 crop of upland cotton, adjusted for any underplantings in 1977 and reconstituted as provided in section 379 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379) shall be the preliminary allotments for the 2000 crop.

TITLE II—AGRICULTURAL CREDIT

GUARANTEED LOANS

SEC. 201. Section 309(h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(h)) is amended by inserting before the period at the end thereof the following: "except that the total amount of loans guaranteed under this title may not exceed 10 per centum of the total amount of loans made or insured under this title".

LIMITED RESOURCE REAL ESTATE LOANS

SEC. 202. (a) Section 310D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1934) is amended—

(1) by redesignating subsection (b) as subsection (c);

(2) by designating the first and second sentences of subsection (a) as subsections (a) and (b), respectively; and

(3) by amending subsection (a) (as designated by clause (2) of this subsection) to read as follows:

"(a) The Secretary is authorized to make and insure a limited resource loan for any of the purposes referred to in clauses (1) through (5) of section 303(a) to a farmer or rancher in the United States who, as determined by the county committee—

"(1) is a citizen of the United States;

"(2) meets the requirements of clauses (2) through (4) of section 302;

"(3) is unable to repay loans under this subtitle at the interest rates prescribed under section 307(a)(2);

"(4) needs such limited resource loan—

"(A) in the case of a beginning farmer or rancher, to commence farming or ranching operations;

"(B) in the case of a tenant farmer or rancher, to purchase the first farm or ranch property of the farmer or rancher; or

"(C) in the case of an established farmer or rancher, to maintain an adequate mini-

mum standard of living for the area of the farmer or rancher;

"(5) has demonstrated an ability to maintain adequate records of farming and ranching operations or is willing to participate in an approved record keeping training program; and

"(6)(A) does not have family support (including any inheritance benefits and other future interests) which would enable the farmer or rancher to repay loans under this subtitle at the interest rates prescribed under section 307(a)(2);

"(B) does not need such limited resource loan as the result of excessive payments on nonessential farm or household items (including any homes, buildings, and vehicles of the farmer or rancher); and

"(C) does not have total credit needs from all sources in excess of \$400,000."

(b) Section 310D(c) of such Act (as redesignated by subsection (a)(1) of this section) is amended by striking out "the preceding sentence" and inserting in lieu thereof "subsection (a)".

FARM RECORD KEEPING TRAINING FOR LIMITED RESOURCE BORROWERS

SEC. 203. The first sentence of section 312(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1942(a)) is amended—

(1) by striking out "and" at the end of clause (10); and

(2) by inserting before the period at the end thereof the following new clause: ", and (12) providing training to limited resource borrowers receiving loans under section 310D or 318 in maintaining records of farming and ranching operations".

LIMITATIONS ON TOTAL INDEBTEDNESS FOR OPERATING LOANS

SEC. 204. Section 313 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1943) is amended to read as follows:

"Sec. 313. The Secretary shall make or insure no loan under this subtitle—

"(1) that would cause the total principal indebtedness outstanding at any one time for loans under this subtitle to exceed—

"(A) in the case of a loan other than a loan guaranteed by the Secretary, \$200,000, except that no more than 25 per centum of the funds made available to make or insure loans under this subtitle may be used to make or insure loans that would cause the insured indebtedness of a borrower to exceed \$100,000;

"(B) in the case of a loan guaranteed by the Secretary, \$400,000, except that no more than 25 per centum of the funds made available to guarantee loans under this subtitle may be used to guarantee loans that would cause the combined insured and guaranteed indebtedness of a borrower to exceed \$200,000; and

"(C) in the case of a loan made, insured, or guaranteed, \$500,000.

"(2) for the purchasing or leasing of land other than for cash rent, or for carrying on any land leasing or land purchasing program."

LIMITED RESOURCE OPERATING LOANS

SEC. 205. Subtitle B of the Consolidated Farm and Rural Development Act is amended by inserting after section 317 (7 U.S.C. 1947) the following new section:

"Sec. 318. (a) The Secretary is authorized to make and insure a limited resource loan for any of the purposes referred to in section 312 to a farmer or rancher in the United States who, as determined by the county committee—

"(1) is a citizen of the United States;

"(2) meets the requirements of clauses (2) through (4) of section 311;

"(3) is unable to repay loans under this subtitle at the interest rates prescribed under section 316(a)(1);

"(4) needs such limited resource loan—

"(A) in the case of a beginning farmer or rancher, to commence farming or ranching operations;

"(B) in the case of a tenant farmer or rancher, to purchase the first farm or ranch property of the farmer or rancher; or

"(C) in the case of an established farmer or rancher, to maintain an adequate minimum standard of living for the area of the farmer or rancher;

"(5) has demonstrated an ability to maintain adequate records of farming and ranching operations or is willing to participate in an approved record keeping training program; and

"(6)(A) does not have family support (including any inheritance benefits and other future interests) which would enable the farmer or rancher to repay loans under this subtitle at the interest rates prescribed under section 307(a)(2);

"(B) does not need such limited resource loan as the result of excessive payments on nonessential farm or household items (including any homes, buildings, and vehicles of the farmer or rancher); and

"(C) does not have total credit needs from all sources in excess of \$400,000.

"(b) The Secretary is also authorized to make such limited resource loans to any farm cooperative or private domestic corporation or partnership that is controlled by farmers and ranchers and engaged primarily and directly in farming or ranching in the United States if all of its members, stockholders, or partners, as applicable, are citizens of the United States and the entity and all such members, stockholders, or partners meet the requirements of clauses (2) through (6) of subsection (a)."

ELIGIBILITY FOR EMERGENCY LOANS

SEC. 206. (a) The first sentence of section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended—

(1) by striking out "established farmers, ranchers, or persons engaged in aquaculture, who are citizens of the United States" in clause (1) and inserting in lieu thereof "farmers, ranchers, or persons engaged in aquaculture, who meet the eligibility requirements prescribed in section 302 or 311(a)"; and

(2) by striking out "are citizens of the United States" in clause (2) and inserting in lieu thereof "meet the eligibility requirements prescribed in section 302 or 311(a)".

(b)(1) Section 321 of such Act is amended—

(A) by striking out subsection (b); and

(B) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(2) Subsection (c) of section 321 of such Act (as redesignated by paragraph (1)(B) of this subsection) is amended to read as follows:

"(c) For purposes of this subtitle, the term 'aquaculture' means the husbandry of aquatic organisms under a controlled or selected environment."

WRITTEN CREDIT DECLINATIONS FOR EMERGENCY LOANS

SEC. 207. Section 322(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1962(b)) is amended by striking out "Provided," and all that follows through the period at the end thereof and inserting in lieu thereof a period.

PURPOSE AND EXTENT OF EMERGENCY LOANS

SEC. 208. Section 323 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1963) is amended to read as follows:

"Sec. 323. Loans may be made or insured to farmers, ranchers, or persons engaged in aquaculture under this subtitle only to compensate such farmers, ranchers, or persons for the actual amount of losses in farming, ranching, or aquaculture operations caused by the disaster."

EMERGENCY LOAN LIMITATIONS AND REPAYMENT

SEC. 209. (a) Subsections (a) and (b) of section 324 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1964 (a) and (b)) are amended to read as follows:

"(a)(1) No loan made or insured under this subtitle may exceed the amount of the actual loss caused by the disaster or \$200,000, whichever is less, for each disaster.

"(2) The total principal indebtedness outstanding at any one time for loans made or insured to a borrower under this subtitle may not exceed \$400,000.

"(b) The interest rates on loans under this subtitle shall be such rates as are prescribed by the Secretary."

(b) Section 324 of such Act is amended—

(1) by striking out subsection (c); and

(2) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

(c) The first sentence of section 324(c) of such Act (as redesignated by subsection (b)(2) of this section) is amended by striking out "Provided further, That for any direct" and all that follows through the period at the end thereof and inserting in lieu thereof a period.

SUBSEQUENT EMERGENCY LOANS

SEC. 210. Section 330 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1971) is repealed.

LOAN MORATORIUM

SEC. 211. (a) Effective only for the 1986 through 1999 crops, section 331A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981a) is amended to read as follows:

"Sec. 331A. (a) For purposes of this section, the term 'circumstances beyond the control of the borrower' includes, but is not limited to—

"(1) a reduction of the income of a borrower occurring after August 4, 1978, as a result of—

"(A) the unemployment, illness, or injury of the borrower;

"(B) the death of a member of the family of the borrower; or

"(C) the occurrence of a natural disaster, crop or livestock disease, insect damage, or adverse conditions in the farm economy (such as high interest rates, declining farm equity, or high cost of production relative to the market price for farm products); and

"(2) the occurrence of unplanned, essential farm and home operating expenses as a result of—

"(A) the illness or injury of the borrower;

"(B) the death of a member of the family of the borrower; or

"(C) the cost of repair, or uninsured loss, of property used to secure a loan made under this title."

"(b) In addition to any other authority that the Secretary may have to defer principal and forego foreclosure, the Secretary shall, at the request of an eligible borrower described in subsection (c), defer principal and interest (in an amount determined under subsection (d)) on any outstanding loan made, insured, or held by the Secretary

under this Act, or under any other law administered by the Farmers Home Administration, and shall forego foreclosure of any such loan, for the period described in subsection (e).

"(c) To be eligible to receive assistance under this section, a borrower of a loan must demonstrate that—

"(1) due to circumstances beyond the control of the borrower, the borrower is temporarily unable to continue making payments of principal and interest due on such loan without unduly impairing the standard of living of the borrower; and

"(2) the borrower is able to project a positive cash flow in accordance with the loan rate schedule established under section 503(b) of the Agricultural Act of 1949 within the five year period beginning on the date of deferral.

"(d) The Secretary shall defer principal and interest on a loan under this section in an amount which the Secretary determines will permit the borrower of the loan to maintain an adequate minimum standard of living for the area of the borrower.

"(e) The Secretary shall continue to defer principal and interest, and forego foreclosure, in accordance with subsection (b) on a loan made to a borrower until the date on which a positive cash flow can be projected for the borrower in accordance with the loan rate schedule established under section 503(b) of the Agricultural Act of 1949.

"(f) The Secretary may permit interest that accrues during the deferral period on any loan deferred under this section to bear no interest during or after such period, except that if the security instrument securing such loan is foreclosed such interest as is included in the purchase price at such foreclosure shall become part of the principal and draw interest from the date of foreclosure at the rate prescribed by law.

"(g) If a borrower conveys property to the Secretary in connection with a loan made under this title, the Secretary shall permit the borrower to redeem the rights of the borrower in the property at any time during the five year period beginning on the date of such conveyance."

"(b) To the extent practicable, the Secretary of Agriculture shall implement the amendment made by subsection (a) of this section no later than sixty days after the date of enactment of this Act.

LOAN DEFAULTS

SEC. 212. Subtitle D of the Consolidated Farm and Rural Development Act is amended by inserting after section 331B (7 U.S.C. 1981b) the following new section:

"SEC. 331C. (a) If a borrower defaults on a loan made or insured under this title, at least one hundred and twenty days before the commencement of any judicial or regulatory action or proceeding to accelerate indebtedness, foreclose, repossess, or otherwise execute upon such loan, the Secretary shall provide to the borrower of such loan by certified mail a written statement described in subsection (b).

"(b) The statement of default on a loan required under subsection (a) shall include a description of—

"(1) each default on such loan committed by the borrower;

"(2) in the case of a monetary default—

"(A) the delinquent amount of principal and interest due on such loan; and

"(B) the amount the Secretary would accept to make such loan current;

"(3) in the case of a nonmonetary default, actions which the borrower may take to remove such default; and

"(4) in the case of acceleration, a statement of the financial implications of acceleration and the right of the borrower under this section to remove the default and prevent acceleration.

"(c) If a borrower believes an error exists in the statement provided under subsection (a), the borrower may appeal the accuracy of such statement to the Secretary.

"(d) If within one hundred and twenty days of the date of issuance of a statement required by subsection (a) a borrower submits the full amount referred to in subsection (b)(2)(B) to remove any monetary default and performs the actions referred to in subsection (b)(3) to remove any nonmonetary default, the Secretary—

"(1) may not initiate any action or proceeding described in subsection (a) with respect to such default; and

"(2) shall reinstate the status the borrower held before such default occurred."

COUNTY COMMITTEES

SEC. 213. Subsection (a) of section 332 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1982(a)) is amended to read as follows:

"(a)(1) A county committee is established in each county or area in which activities are carried out under this title.

"(2) A committee shall consist of—

"(A) three members elected by farm operators residing in the county or area;

"(B) one member who represents the financial community in the county or area, appointed by the three elected members of the committee; and

"(C) one elected official in the county or area, appointed by the three elected members of the committee.

"(3) The term of office of a member of a committee shall be five years, except that the terms of office of the first members of a committee shall be for one-, two-, three-, four-, and five-year periods, respectively, as determined by the Secretary.

"(4) Vacancies on a committee shall be filled in the same manner as original appointment to the committee.

"(5) Members of the committee are removable by the Secretary only for cause."

PROMPT APPROVAL OF LOANS AND LOAN GUARANTEES

SEC. 214. (a) Subtitle D of the Consolidated Farm and Rural Development Act is amended by inserting after section 333 (7 U.S.C. 1983) the following new section:

"SEC. 333A. (a)(1) The Secretary shall approve or disapprove the application for a loan or loan guarantee made under this title, and notify the applicant of such action, within forty-five days after the Secretary has received a completed application for such loan or guarantee.

"(2) If an application for a loan or loan guarantee under this title is incomplete, the Secretary shall inform the applicant of the reasons such application is incomplete within five days after the Secretary has received such application.

"(3) If an application for a loan or loan guarantee under this title is disapproved by the Secretary, the Secretary shall state the reasons for the disapproval in the notice required under paragraph (1).

"(b) If an application for an insured loan under this title is approved by the Secretary, the Secretary shall provide the loan proceeds to the applicant within five days (or such longer period as the applicant may approve) after the application for the loan is approved by the Secretary, except that, if the Secretary is unable to provide the loan

proceeds to the applicant within such five-day period because sufficient funds are not available to the Secretary for such purpose, the Secretary shall provide the loan proceeds to the applicant as soon as practicable (but in no event five days unless the applicant agrees to a longer period) after sufficient funds for that purpose become available to the Secretary.

"(c) If an application for a loan or loan guarantee under this title is disapproved by the Secretary, but such action is subsequently reversed or revised as the result of an appeal within the Department of Agriculture or to the courts of the United States and the application is returned to the Secretary for further consideration, the Secretary shall act on the application and provide the applicant with notice of the action within five days after return of the application to the Secretary.

"(d) If the Secretary fails to comply with subsection (a), (b), or (c) on an application for a loan or loan guarantee that is approved by the Secretary, the Secretary shall—

"(1) for insured loans, reduce the interest payments due on the loan, or

"(2) for loan guarantees, make payments on behalf of the borrower to cover interest due to the lender on the loan,

in an amount calculated by multiplying the outstanding principal of the loan by that part of the annual rate of interest being charged for the loan that bears the same proportion to the full annual rate of interest as the period during which the Secretary was not in compliance with such subsection bears to a full year.

"(e) Upon receipt of an application for a loan or loan guarantee under this title, the Secretary shall inform the applicant of the requirements of this section."

"(b) The amendment made by subsection (a) shall be effective with respect to applications for loans or loan guarantees under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) received by the Secretary of Agriculture after the date of enactment of this Act.

FARM PROGRAM APPEALS

SEC. 215. Subtitle D of the Consolidated Farm and Rural Development Act is amended by inserting after section 333A (as added by section 214(a) of this Act) the following new section:

"SEC. 333B. (a) The Secretary shall provide an applicant for or borrower of a loan or loan guarantee under this title who has been directly and adversely affected by a decision of the Secretary taken under this Act (hereinafter in the section referred to as the 'appellant') with the right to written notice, an opportunity for an informal meeting, and an opportunity for a hearing on the record, with respect to such decision, in accordance with regulations promulgated by the Secretary consistent with this section.

"(b) Within ten days of such adverse decision, the Secretary shall provide the appellant with written notice of the decision, the opportunity for an informal meeting and formal hearing, and the procedure to appeal such decision (including any deadlines for filing appeals).

"(c)(1) An appellant shall have the right to—

"(A) access to the personal file of the appellant maintained by the Secretary, including a reasonable opportunity to inspect and reproduce the file at an office of the Farmers Home Administration located in the area of the appellant; and

"(B) representation by an attorney or nonattorney at an inspection and reproduction of files under clause (A), an informal meeting under subsection (d), and a formal hearing under subsection (e).

"(2) The Secretary may charge an appellant for any reasonable costs incurred in reproducing files under paragraph (1)(A).

"(d)(1) In order to provide an opportunity for parties to reconsider and resolve differences over decisions referred to in subsection (a) and to minimize the need for formal appeals of such decisions, the Secretary shall establish procedures for informal meetings between appellants and officials of the Farmers Home Administration to discuss such decisions.

"(2) In establishing procedures for an informal meeting between an appellant and official concerning a decision of the Secretary, the Secretary shall—

"(A) require the appellant and official to conduct an informal meeting, or to waive such meeting in accordance with clause (E), before a formal hearing may be conducted under subsection (e) on such decision;

"(B) preserve the rights of the appellant to further review under this section;

"(C) require completion of the informal meeting process (including notice of any reconsidered decision required under clause (F)) within thirty days after notice of the original adverse decision provided to the appellant under subsection (b);

"(D) provide for the direct involvement in the informal meeting of the official who originally made the decision and, if such official is a county supervisor of an office, the district director of the office;

"(E) permit a waiver of the informal meeting if the appellant and official agree that such process would likely not avoid a formal appeal under subsection (e); and

"(F) require the Secretary to provide the appellant with written notice of any reconsidered decision of the Secretary reached after such informal meeting or waiver and, in the case of an adverse reconsidered decision, the reasons therefor.

"(3) If an appellant and official agree to waive an informal meeting under paragraph (2)(E) with respect to a decision of the Secretary, the Secretary shall notify the appellant of the right of the appellant to a formal hearing on the decision under subsection (e).

"(4) For the purpose of an appeal, a reconsidered decision reached by the Secretary under paragraph (2)(E) shall become the record of the Secretary with respect to the original decision made by the Secretary.

"(e)(1) If an informal meeting is conducted or waived under subsection (d) with respect to the decision of the Secretary under this title and the reconsidered decision reached under subsection (d)(2)(E) remains adverse to the appellant, the appellant may request a hearing on such reconsidered decision before an administrative law judge appointed under section 3105 of title 5, United States Code, by filing a complaint with the Secretary within twenty days of notice of such reconsidered decision.

"(2) The Secretary may submit an answer to a complaint filed under paragraph (1).

"(3)(A) A hearing under this subsection shall take place within thirty days of the filing of the complaint of the appellant.

"(B) Such hearing shall be held at a Farmers Home Administration office located in—

"(i) the State in which the appellant resides or in which the farmland of the appellant is located; or

"(ii) an adjacent State if the office in the adjacent State is no more than five hundred miles from the location at which the appellant resides or the farmland of the appellant is located.

"(C) Evidence at such hearing may include the complaint of the appellant, the answer of the Secretary, the notice of any reconsidered decision, and any testimony by any official of the Farmers Home Administration, the appellant, and any relevant expert, except that affidavits by such official, appellant, and expert may be substituted for direct testimony when agreed to by the parties or allowed by the administrative law judge.

"(D) Such hearing shall be tape recorded and a transcript of such hearing shall be made available at cost upon the request of any party to the proceeding.

"(4)(A) The administrative law judge shall decide all questions of fact and law in a proceeding brought under this subsection and shall uphold, reverse, or modify the reconsidered decision of the Secretary.

"(B) The decision of the administrative law judge shall be final unless appealed pursuant to subsection (f).

"(5) Within ten days of the hearing, both parties to the proceeding shall be provided with a copy of the decision of the administrative law judge setting forth all findings of fact and reasons for the decision.

"(6) The Secretary shall report and make available to the public—

"(A) a decision of an administrative law judge reached under this subsection; and

"(B) a description of any subsequent action taken by the Secretary pursuant to subsection (f).

"(f)(1) If a party is aggrieved by the decision of an administrative law judge under subsection (e), such aggrieved party may request a review of the decision within ten days of the issuance of such decision.

"(2) Upon such request, the Secretary shall review the decision of the administrative law judge and make a determination on the record to modify, uphold, or reverse such decision.

"(3) The Secretary shall make such review and determination within twenty days of the request for review.

"(4) Such determination shall be the final administrative determination subject to judicial review."

DISPOSITION AND LEASING OF FARMLAND

SEC. 216. (a) Section 335 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985) is amended—

(1) by inserting ", other than farmland," after "title" each place it appears in subsection (b) and the first sentence of subsection (c); and

(2) by adding at the end thereof the following new subsection:

"(e)(1) The Secretary shall to the extent practicable dispose or lease farmland administered under this title in the following order of priority:

"(A) Disposal of such farmland to limited resource borrowers who meet the eligibility criteria prescribed in section 310D(a).

"(B) Lease with an option to buy such farmland to such limited resource borrowers.

"(C) Disposal of such farmland to regular borrowers who meet the eligibility criteria prescribed in section 302.

"(D) Lease of such farmland to such limited resource borrowers.

"(E) Lease of such farmland to such regular borrowers.

"(F) Disposal of such farmland to owners or operators of family farms who do not meet the eligibility criteria prescribed in section 302.

"(2)(A) In carrying out paragraph (1)(A), the Secretary shall sell farmland to a qualified limited resource borrower at a price which reflects the average expected income of the borrower from the farmland.

"(B) If two or more qualified limited resource borrowers desire to purchase such farmland, the county committee shall by record vote select the borrower who may obtain such farmland.

"(C) For each of the fiscal years 1985, 1986, and 1987, in addition to any funds required to be expended under section 346(c)(1), not less than 20 per centum of the funds provided to carry out subtitle (A) shall be used to dispose of such farmland to qualified limited resource borrowers in accordance with this subsection.

"(3) In carrying out paragraph (1)(B), the Secretary may not charge an interest rate on a lease or option provided under such paragraph which exceeds the interest rate charged on a similar loan made or insured to a limited resource borrower under this title.

"(4)(A) In carrying out paragraph (1)(C), the Secretary may not dispose of farmland to a regular borrower who meets the eligibility criteria requirements prescribed in section 302 unless the Secretary—

"(i) has leased such farmland to a limited resource borrower under paragraph (1)(B) for a period of at least five years and is not able to dispose of such farmland to a qualified limited resource borrower under paragraph (1)(A);

"(ii) has provided a lease with an option to buy such farmland to a limited resource borrower under paragraph (1)(B) and the borrower has declined to exercise such option; or

"(iii) is unable to otherwise dispose or lease such property to a qualified limited resource borrower.

"(B) If a borrower cannot obtain sufficient credit elsewhere to finance the purchase of farmland under subparagraph (A), the Secretary shall make or insure a loan to the borrower to finance such purchase.

"(C) The interest rate on a loan made or insured under subparagraph (B) may not exceed the interest rate charged on a similar loan made or insured under this title, plus 1 per centum per annum.

"(5) In selecting tenants for leases of farmland under paragraph (1), the Secretary shall give special consideration to any previous owner or operator of such farmland who meets the eligibility criteria prescribed in section 302."

"(6) If the Secretary determines that a tract of farmland administered under this title is not suitable for disposition or lease to eligible farm borrowers under subtitle A or B because such tract is larger than is necessary for family farm operations, the Secretary shall subdivide such tract into tracts suitable for family farm operations and dispose or lease such subdivided tracts in accordance with this subsection.

"(7)(A) If a borrower defaults on a loan made or insured under this title and secured with farmland and conveys the farmland to a purchaser who the county committee determines does not meet the eligibility requirements for a loan under this title, such purchaser may not assume any of the terms and conditions of the original loan.

"(B) If a borrower defaults on a loan made or insured under this title and secured with

farmland and conveys the farmland to a purchaser who the county committee determines meets the eligibility requirements for a loan under this title, such purchaser may assume any of the terms and conditions of the original loan.

"(C) The Secretary shall take all reasonable steps to assure that borrowers who meet the eligibility requirements for a loan under this title are given the maximum opportunity to purchase farmland described in subparagraph (B), including the refinancing of the original loan.

"(8) The Secretary shall—

"(A) conduct an ongoing search to identify limited resource borrowers and other borrowers who are eligible for the disposition of farmland administered under this title; and

"(B) sell or otherwise transfer such farmland to such borrowers as expeditiously as possible.

"(9) The Secretary shall—

"(A) publicize the availability of suitable farmland available under this title in local newspapers widely circulated in the county in which such farmland is located and in a prominent location at the local office of the Farmers Home Administration which serves such county; and

"(B) notify qualified limited resource borrowers and other borrowers under this title who might be interested in purchasing such farmland of the availability of such farmland."

(b) The Secretary of Agriculture shall adopt—

(1) interim regulations to implement the amendment made by subsection (a) of this section no later than sixty days after the date of enactment of this Act; and

(2) final regulations to implement such amendment as soon as practicable thereafter.

RELEASE OF NORMAL INCOME SECURITY

SEC. 217. Section 335 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985) (as amended by section 216(a)(2) of this Act) is amended by adding at the end thereof the following new subsection:

"(f)(1) As used in this subsection:

"(A) The term 'normal income security' has the same meaning given such term in section 1962.17(b) of title 7, Code of Federal Regulations (as of January 1, 1984).

"(B) The term 'poverty line' has the same meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

"(2) The Secretary shall release from normal income security provided for a loan made or insured under this title amounts sufficient—

"(A) to assure that the income of the household of the borrower of such loan exceeds the poverty line by at least 50 per centum; and

"(B) to permit such borrower to pay necessary farm operating expenses incurred in the production, harvesting, or marketing of crops, livestock, poultry, or products, as determined by the Secretary.

"(3) To assist in the determination of necessary farm operating expenses under paragraph (2)(B), the Secretary shall publish a schedule of necessary annual production costs for each State or region."

LOAN SUMMARY STATEMENTS

SEC. 218. Section 337 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1987) is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end thereof the following new subsection:

"(b)(1) As used in this subsection, the term 'summary period' means—

"(A) the period beginning on the date of enactment of the Farm Policy Reform Act of 1985 and ending on the date on which the first loan summary statement is issued after such date of enactment; or

"(B) the period beginning on the date of issuance of the preceding loan summary statement and ending on the date of issuance of the current loan summary statement.

"(2) The Secretary shall issue at least annually to each borrower of a loan made or insured under this title a loan summary statement which describes the status during the summary period of each such loan made or insured under this title to such borrower, including a description of—

"(A) the outstanding amount of principal due on each such loan at the beginning of the summary period;

"(B) the interest rate charged on each such loan;

"(C) the amount of payments made on each such loan during the summary period;

"(D) the amount of principal and interest due on each such loan at the end of the summary period;

"(E) the allocation of the total amount of payments made on all such loans by the Secretary between each such loan and between principal and interest due on such loans, including a description of the system used by the Secretary to make such allocation;

"(F) the total outstanding amount of principal and interest due on all such loans at the end of the summary period;

"(G) any delinquency in the repayment of any such loan;

"(H) a schedule of the amount and date of payments due on each such loan; and

"(I) the procedure the borrower may use to obtain more information concerning the status of such loans."

FAMILY FARM DEFINITION

SEC. 219. Section 343 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991) is amended—

(1) by striking out "and" at the end of clause (5); and

(2) by inserting before the period at the end thereof the following new clause: ", and (7) the term 'family farm' means a farm or ranch which is owned or operated by individuals (or in the case of cooperatives, corporations, and partnerships, by a majority of members, stockholders, or partners) who as determined by the county committee (A) manage such farm, (B) provide the majority of labor on such farm or ranch, and (C) meet such other criteria as are prescribed by the Secretary".

AUTHORIZATION OF LIMITED RESOURCE LOAN AMOUNTS

SEC. 220. (a) Section 346 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994) is amended—

(1) by striking out subsections (b) and (d); and

(2) by redesignating subsections (c) and (e) and subsections (b) and (c), respectively.

(b) Section 346(c)(1) of such Act (as redesignated by subsection (a)(2) of this section) is amended—

(1) by striking out "20" each place it appears and inserting in lieu thereof "25"; and

(2) by striking out "fiscal year 1984" and inserting in lieu thereof "each fiscal year".

FARM AND HOME PLAN STUDY

SEC. 221. (a) The Secretary of Agriculture shall conduct a study of the appropriateness of the Farm and Home Plan (Form FmHA 431-2) used by the Farmers Home Administration in connection with loans made or insured under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.).

(b) In carrying out such study, if the Secretary finds the plan to be inappropriate, the Secretary shall—

(1) evaluate other available alternative farm plan forms for use in connection with such loans;

(2) evaluate the need to develop a new farm plan form for such use; and

(3) examine the steps which should be taken to improve or replace the current form.

(c) No later than one hundred and twenty days after the date of enactment of this Act, the Secretary shall report the results of the study required under this section to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

TITLE III—AGRICULTURAL EXPORTS AND IMPORTS

SUBTITLE A—AGRICULTURAL EXPORTS

SALES TO DEVELOPING COUNTRIES FOR FOREIGN CURRENCIES

SEC. 301. (a) Section 101 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701) is amended to read as follows:

"Sec. 101. In order to carry out the policies and accomplish the objectives set forth in section 2 of this Act, the President is authorized to negotiate and carry out agreements with friendly countries to provide for the sale of agricultural commodities—

"(1) for dollars on credit terms;

"(2) in the case of developing countries with a per capita gross national product of \$500 or less, for foreign currencies on credit terms at an annual level which, to the extent practicable, is at least the higher of—

"(A) the level of such sales for foreign currencies provided during fiscal year 1985; or

"(B) 500,000 metric tons; or

"(3) in the case of other countries, to the extent that sales for dollars under the terms applicable to such sales are not possible, for foreign currencies on credit terms and on terms which permit conversion to dollars at the exchange rate applicable to the sales agreement."

(b) Section 103 of such Act (7 U.S.C. 1703) is amended—

(1) by striking out "in dollars or in the types or kinds of currencies which can be converted into dollars" in subsection (k);

(2) by striking out subsection (m);

(3) by redesignating subsections (n) through (q) as subsections (m) through (p) respectively; and

(4) by inserting "pursuant to paragraph (3) of section 101" after "agreement" in subsection (o) (as redesignated by clause (3) of this subsection)).

(c) Section 104 of such Act (7 U.S.C. 1704) is amended by inserting "or entered into pursuant to paragraph (2) of section 101," after "January 1, 1972," in the matter preceding subsection (a).

(d) Section 106(a)(2) of such Act (7 U.S.C. 1706(a)(2)) is amended by striking out "and on terms which permit conversion to dollars" and inserting in lieu thereof "pursuant to paragraph (2) or (3) of section 101".

USE OF FOREIGN CURRENCY RECEIPTS FOR DEVELOPMENT ASSISTANCE PROGRAMS

SEC. 302. Section 104(h) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704(h)) is amended by striking out “, at the request of such country,” and inserting in lieu thereof “development assistance programs under chapter 1 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2251 et seq.), including”.

USE OF PRIVATE TRADE ENTITIES TO EXPAND PRIVATE ECONOMIC ENTERPRISE

SEC. 303. (a) Section 104 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1704) is amended—

(1) by striking out “and” at the end of subsection (j);

(2) by inserting “and” after the semicolon at the end of subsection (k); and

(3) by adding at the end thereof the following new subsection:

“(l) For grants to private trade entities for use in the development and execution of projects which will result in the establishment of facilities designed to improve the storage or marketing of agricultural commodities or which will otherwise stimulate and expand private economic enterprise in a friendly country.”

(b) Section 103(b) of such Act (7 U.S.C. 1703(b)) is amended by striking out “and (h)” and inserting in lieu thereof “(h), and (l)”.

INTERMEDIATE CREDIT

SEC. 304. (a) Section 4(b) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(b)) is amended—

(1) by adding at the end of paragraph (1) the following new sentence: “In addition, the Corporation may guarantee credits made to finance such sales.”;

(2) by inserting “, and no credit may be guaranteed,” after “financed” in paragraph (2);

(3) in paragraph (3)—

(A) by striking out “and” at the end of subparagraph (C);

(B) by striking out the period at the end of such paragraph and inserting in lieu thereof “; and”; and

(C) by adding at the end thereof the following new subparagraph:

“(E) otherwise to promote the export sales of agricultural commodities.”;

(4) by striking out paragraphs (5), (6), and (7); and

(5) by redesignating paragraphs (8) and (9) as paragraphs (5) and (6), respectively.

(b) To the extent practicable, the Secretary shall carry out section 4(b) of such Act using not less than \$500,000,000 for each of the fiscal years 1985 through 1988.

MINIMUM QUANTITY OF AGRICULTURAL COMMODITIES DISTRIBUTED FOR FAMINE RELIEF

SEC. 305. Section 201(b) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721(b)) is amended by striking out clauses (1) through (3) and inserting in lieu thereof the following new clauses:

“(1) for fiscal year 1985 shall be 2,000,000 metric tons, of which not less than 1,400,000 metric tons shall be distributed through nonprofit voluntary agencies, cooperatives, and the World Food Program;

“(2) for fiscal year 1986 shall be 2,250,000 metric tons, of which not less than 1,575,000 metric tons shall be distributed through nonprofit voluntary agencies, cooperatives, and the World Food Program;

“(3) for fiscal year 1987 shall be 2,500,000 metric tons, of which not less than 1,750,000 metric tons shall be distributed through

nonprofit voluntary agencies, cooperatives, and the World Food Program;

“(4) for fiscal year 1988 shall be 2,750,000 metric tons, of which not less than 1,925,000 metric tons shall be distributed through nonprofit voluntary agencies, cooperatives, and the World Food Program;

“(5) for fiscal year 1989 shall be 3,000,000 metric tons, of which not less than 2,100,000 metric tons shall be distributed through nonprofit voluntary agencies, cooperatives, and the World Food Program; and

“(6) for fiscal year 1990 and each fiscal year thereafter shall be 3,250,000 metric tons, of which not less than 2,275,000 metric tons shall be distributed through nonprofit voluntary agencies, cooperatives, and the World Food Program.”;

(b) Section 201 of such Act is amended by adding at the end thereof the following new subsection:

“(c) No less than 60 percent of the minimum tonnage required under subsection (b) shall be in the form of processed and fortified foods.”.

MULTIYEAR AGREEMENTS WITH NONPROFIT VOLUNTARY AGENCIES AND COOPERATIVES

SEC. 306. Section 202 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1722) is amended by adding at the end thereof the following new subsection:

“(c)(1) Except as provided in paragraph (2) and subject to the availability of appropriated funds and agricultural commodities, the President shall, to the extent practicable, enter into multiyear agreements with nonprofit voluntary agencies, cooperatives, and international organizations to make agricultural commodities available for distribution on a nonemergency basis under this section.

“(2) Paragraph (1) shall not apply to an agreement which the President determines should be limited to a single year because the agreement involves a new program of assistance.

“(3) In carrying out a multiyear agreement entered into under this subsection, a nonprofit voluntary agency, cooperative, and international organization shall not be required to obtain periodic approval from the United States Government in order to continue to conduct an assistance program under such agreement.”.

DISASTER RESERVE

SEC. 307. Section 202 of the Agricultural Trade Development and Assistance Act of 1954 (as amended by section 306 of this Act) is amended by adding at the end thereof the following new subsection:

“(d) A nonprofit voluntary agency which enters into an agreement under this title shall maintain an operating reserve of at least 15 percent in order to provide assistance to areas which suffer from chronic drought or other natural disasters.”.

PROCESSED PRODUCT AND FORTIFIED GRAIN RESERVE

SEC. 308. Section 202 of the Agricultural Trade Development and Assistance Act of 1954 (as amended by section 307 of this Act) is amended by adding at the end thereof the following new subsection:

“(e) The Secretary of Agriculture shall maintain a reserve containing processed products and fortified grain in order to provide urgent relief to people in other countries in the event of an emergency.”.

AUTHORIZATION OF APPROPRIATIONS TO REIMBURSE COMMODITY CREDIT CORPORATION FOR FAMINE RELIEF

SEC. 309. The first sentence of section 204 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724) is amended by striking out “\$1,000,000,000” and inserting in lieu thereof “\$1,900,000,000”.

AUTHORIZATION OF APPROPRIATIONS TO PURCHASE FOREIGN CURRENCIES FOR FAMINE RELIEF

SEC. 310. (a) The second sentence of section 204 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724) is amended by striking out “\$7,500,000” and inserting in lieu thereof “\$95,000,000”.

(b) Section 103(b) of such Act (7 U.S.C. 1703(b)) is amended by inserting “, the second sentence of section 204,” after “section 104”.

MULTILATERAL AGREEMENTS FOR FAMINE RELIEF

SEC. 311. Title II of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1721 et seq.) is amended by adding at the end thereof the following new section:

“SEC. 207. (a) To the maximum extent practicable, the President shall enter into multilateral agreements with other food exporting nations in order to fulfill the food aid requirements of needy nations.

“(b) To the maximum extent practicable, the President shall include such provisions in such agreements as are necessary to assure that recipient nations become self-sufficient in meeting their food requirements, including a requirement that food exporting nations provide cash and other resources to recipient nations for such purpose.

“(c) The Commodity Credit Corporation may use any surplus stocks of the Corporation to carry out this section and title I of this Act.”.

SUBTITLE B—AGRICULTURAL IMPORTS

AGRICULTURAL IMPORTS

SEC. 320. The Secretary of Agriculture shall, to the maximum extent practicable, exercise the authority provided to the Secretary under section 22 of the Agricultural Adjustment Act (7 U.S.C. 624) to examine and report to the President with respect to any imported articles which interfere with any program or operation undertaken by the Department of Agriculture or reduce the amount of products processed from agricultural commodities in the United States.

LABELING IMPORTED MEAT

SEC. 321. Section 1(n) of the Federal Meat Inspection Act (21 U.S.C. 601(n)) is amended—

(1) by striking out “or” at the end of paragraph (11);

(2) by striking out the period at the end of paragraph (12) and inserting in lieu thereof a semicolon and “or”; and

(3) by adding at the end the following new paragraph:

“(13) If it is or was imported and if its labeling fails to bear the words ‘imported’, ‘may have been imported’, ‘this product contains imported meat’, ‘this product may contain imported meat’, ‘this container contains imported meat’, or ‘this container may contain imported meat’, as the case may be, or words to indicate its country of origin.”.

(b) The amendments made by this section shall become effective one year after the date of enactment of this Act.

SERVING IMPORTED MEAT

Sec. 322. (a) For purposes of this section:

(1) The term "eating establishment" means any restaurant, cafeteria, lunch counter, lunchroom, soda fountain, food stand, saloon, tavern, bar, lounge, vending machine, or other similar facility (including any such facility located on the premises of any retail or recreational establishment), operated as a commercial enterprise engaged in the business of selling food to the public.

(2) The term "meat food product" shall have the meaning given to such term by section 1(j) of the Federal Meat Inspection Act (21 U.S.C. 601(j)).

(3) The term "Secretary" means the Secretary of Agriculture.

(b) Whoever—

(1) owns or operates an eating establishment;

(2) sells in such eating establishment a significant amount of meat or meat food products imported into the United States, or meat food products that, in the aggregate, contain a significant amount of meat imported into the United States; and

(3) knowingly fails, or knowingly permits any employee or agent to fail, to inform individuals purchasing food from such eating establishment of the fact that such meat or meat food products are sold therein—

(A) by displaying, in a conspicuous place in or on such eating establishment, a sign indicating such fact; or

(B) by indicating such fact on menus offered, posted, or otherwise made available to such individuals,

shall be issued a warning on the first occasion on which it is discovered that any such failure may have occurred and shall be fined an amount not to exceed \$500 for each day on which any such failure occurs after receipt of such warning.

(c) No later than thirty days after the date of enactment of this Act, the Secretary shall issue regulations defining the term "significant amount", as used in subsection (b)(2).

(d) Except as provided in subsection (c), this section shall become effective one year after the date of enactment of this Act.

TITLE IV—SOIL AND WATER CONSERVATION

SUBTITLE A—SOIL AND WATER CONSERVATION

TRAINING OF SOIL CONSERVATION SERVICE PERSONNEL

Sec. 401. Section 5 of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590e) is amended—

(1) by inserting "(a)" after the section designation; and

(2) by adding at the end thereof the following new subsection:

"(b) The Secretary of Agriculture shall establish and carry out a program to improve, to the maximum extent practicable, the training of officers and employees of the service in carrying out the duties of the service."

DRY LAND FARMING

Sec. 402. The first sentence of section 7(a) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g(b)) is amended—

(1) by striking out "and" at the end of clause (5); and

(2) by inserting before the period the following: ", and (7) the promotion of energy and water conservation through dry land farming".

LOCAL AND STATE COMMITTEES

Sec. 403. The fifth paragraph of section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) is amended by adding at the end thereof the following new sentence: "To the maximum extent practicable, the Secretary of Agriculture shall take such actions as are necessary to strengthen the role of local and State committees in carrying out this Act."

AGRICULTURAL CONSERVATION PROGRAM

Sec. 404. Section 8(d) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(d)) is amended by adding at the end thereof the following new paragraph:

"In order to be eligible to receive a payment or grant of aid made under the agricultural conservation program authorized by sections 7 through 15, 16(a), 16(f), and 17 of this Act and sections 1001 through 1008 and 1010 of the Agricultural Act of 1970 (16 U.S.C. 1501 through 1508 and 1510), a producer must use such payment or grant in accordance with a conservation plan approved by (1) the soil and water conservation district or districts in which the land described in the plan is situated, or (2) in areas where such district or districts does not exist or fails to act on the approval of such plan, the Secretary of Agriculture. In order to receive such approval, such plan must assure that soil loss levels on lands subject to such plan do not exceed the soil loss tolerance levels determined by the Secretary of Agriculture. The Secretary of Agriculture shall provide technical assistance to producers to assist producers in preparing such plans."

CONSERVATION RESERVE PROGRAM

Sec. 405. The Soil Conservation and Domestic Allotment Act is amended by inserting after section 16A of such Act (16 U.S.C. 590p-1) the following new section:

"CONSERVATION RESERVE PROGRAM

"Sec. 16B. (a) In order to promote soil and water conservation practices on up to thirty million acres of erosion-prone land, the Secretary of Agriculture shall enter into contracts, subject to amounts provided in advance in appropriation Acts, for a term of ten years with producers determined by the Secretary to have control for the contract period of the farms covered by the contract.

"(b) Under the terms of such contract, the producer must agree—

"(1) to establish and maintain for the contract period protective vegetative cover, or other soil-, water-, wildlife-, or forest-conserving uses, on a specifically designated acreage on erosion-prone land on the farm regularly used in the production of crops;

"(2) not to devote such acreage to the production of agricultural commodities; and

"(3) to such additional provisions as the Secretary determines are desirable and includes in the contract to effectuate the purposes of this section and to facilitate the practical administration of the conservation reserve program.

"(c)(1) In return for such agreement by the producer, the Secretary shall agree—

"(A) to bear such part of the cost of establishing and maintaining vegetative cover, water storage facilities, or other soil-, water-, wildlife-, or forest-conserving uses, on the designated acreage as the Secretary determines to be necessary to effectuate the purposes of this section, but not to exceed a maximum amount per acre or facility prescribed by the Secretary for the county or area in which the farm is situated; and

"(B) to make an annual payment to the producer for the term of the contract (in an amount determined by the Secretary in ac-

cordance with paragraph (2)) upon a determination that the producer has fulfilled the provisions of the contract entitling the producer to such payment.

"(2) The Secretary shall determine the amount of annual payments under paragraph (1)(B) on such basis as the Secretary determines will provide producers with a fair and reasonable return on the land diverted to conservation purposes, taking into consideration—

"(A) the productivity of the diverted land, as determined on the basis of farm program yields established by the Secretary;

"(B) the prevailing rates for cash rentals for similar land in the same county or area;

"(C) the incentive necessary to obtain contracts covering sufficient acreage for the substantial accomplishment of the purposes of the conservation reserve program;

"(D) the erosiveness of the diverted land;

"(E) the extent to which the diverted land contributes to off-farm pollution of the environment; and

"(F) such other factors as the Secretary considers appropriate.

"(d) The Secretary shall permit, subject to such terms and conditions as the Secretary may prescribe, all or any part of acreage designated under an agreement entered into under this section to be devoted to hay and grazing.

"(e) The total amount of payments made to a producer under this section during a year may not exceed \$50,000.

"(f) The Secretary shall limit the total acreage placed under contracts under this section in any State, county, or local community, so as not to affect adversely the economy of such State, county, or local community.

"(g) There are hereby authorized to be appropriated such sums as may be necessary to carry out this section."

WATER CONSERVATION PROGRAM

Sec. 406. The Soil Conservation and Domestic Allotment Act (as amended by section 405 of this Act) is further amended by inserting after section 16B of such Act the following new section:

"WATER CONSERVATION PROGRAM

"Sec. 16C. (a) In order to reduce the use of water from underground aquifers to irrigate land, the Secretary of Agriculture may enter into contracts, subject to amounts provided in advance in appropriation Acts, for a term of five years with producers determined by the Secretary to have control for the contract period (and the additional period referred to in subsection (b)(1)) of the farms covered by the contract.

"(b) Under the terms of such contract, the producer must agree—

"(1) during the contract period and an additional period specified in the contract of not less than five years, to not use water from underground aquifers under the farm to irrigate specifically designated acreage on land on the farm regularly used in the production of crops; and

"(2) to such additional provisions as the Secretary determines are desirable and includes in the contract to effectuate the purposes of this section and to facilitate the practical administration of the water conservation program.

"(c)(1) In return for such agreement by the producer, the Secretary shall agree to make an annual payment to the producer for the term of the contract (in an amount determined by the Secretary in accordance with paragraph (2)) upon a determination that the producer has fulfilled the provi-

sions of the contract entitling the producer to such payment.

"(2) The amount of an annual payment made under paragraph (2) shall be an amount equal to the product obtained by multiplying 50 per centum by the difference between—

"(A) the productivity of the land under contract without the use of water from underground aquifers under the farm; and

"(B) the productivity of such land with the use of such water.

"(3) The determination of the productivity of land under paragraph (2) shall be based on farm program yields established by the Secretary.

"(d) There are hereby authorized to be appropriated such sums as may be necessary to carry out this section."

SUBTITLE B—HIGHLY ERODIBLE LAND CONSERVATION AND WETLANDS

DEFINITIONS

SEC. 410. As used in this subtitle—

(1) the term "agricultural commodity" means any agricultural commodity planted and produced by annual tilling of the soil, or on an annual basis by one-trip planters;

(2) the term "conservation district" means any district or unit of State or local government formed under State or territorial law for the express purpose of developing and carrying out a local soil and water conservation program, whether referred to as a conservation district, soil conservation district, soil and water conservation district, resource conservation district, natural resource district, land conservation committee, or by any similar name;

(3) the term "wetland", except when such term is part of the term "converted wetland", means land that has a predominance of hydric soils and that is inundated or saturated by surface or groundwater at a frequency and duration sufficient to support, and that under normal circumstances does support, a prevalence of hydrophytic vegetation typically adapted for life in saturated soil conditions;

(4) the term "converted wetland"—

(A) means wetland that has been drained, dredged, filled, leveled, or otherwise manipulated (including any activity that results in impairing or reducing the flow, circulation, or reach of water) for the purpose or to have the effect of making the production of agricultural commodities possible if—

(i) such production would not have been possible but for such action; and

(ii) before such action—

(I) such land was wetland; and

(II) such land was neither highly erodible land nor highly erodible cropland, as defined in this section; but

(B) does not include—

(i) artificial lakes, ponds, or wetland created by excavating or diking non-wetland to collect and retain water for purposes such as water for livestock, fish production, irrigation, settling basins, cooling, rice production, or flood control;

(ii) wet areas created by water delivery systems or the application of water for irrigation;

(iii) wetland on which production of agricultural commodities is possible as a result of natural conditions, such as drought, and without actions by the producer that destroy natural wetland characteristics; or

(iv) wetland on which such production is possible as a result of actions by the producer whose cumulative and individual effect on the hydrological and biological values of the wetlands is minimal, as determined by the Secretary under regulations prescribed

by the Secretary in consultation with the Secretary of the Interior;

(5) the term "field" means that term as defined in section 718.2 of title 7 of the Code of Federal Regulations, except that—

(A) any highly erodible land and any converted wetland on which an agricultural commodity is produced after the date of the enactment of this Act and that is not exempt under section 1203 shall be considered as part of the field in which such land was included on that date of enactment; and

(B) the Secretary shall provide for modification of the boundaries of fields to effectuate the purposes and facilitate the practical administration of this subtitle;

(6) the term "highly erodible land" means land—

(A) that is classified by the Soil Conservation Service of the Department of Agriculture as class IVe, VI, VII, or VIII land under the land capability classification system in effect on the date of the enactment of this Act; or

(B) that, if used to produce an agricultural commodity, would have an excessive average annual rate of erosion in relation to the soil loss tolerance level, as established by the Secretary, and as determined by the Secretary through application of factors from the universal soil loss equation and the wind erosion equation, including factors for climate, soil erodibility, and field slope;

and, for the purposes of this paragraph, the land capability class or rate of erosion for a field shall be that determined by the Secretary to be the predominant class or rate of erosion under regulations issued by the Secretary;

(7) the term "highly erodible cropland" means highly erodible land that is in cropland uses, as determined by the Secretary; and

(8) the term "Secretary" means the Secretary of Agriculture.

PROGRAM INELIGIBILITY FOR PRODUCTION ON HIGHLY ERODIBLE LAND OR CONVERTED WETLAND

SEC. 411. (a) Except as provided in section 412 and notwithstanding any other provision of law, following the date of the enactment of this Act any person who in any crop year produces an agricultural commodity on highly erodible land or on converted wetland shall be ineligible, as to any commodity produced during that crop year by such person, for—

(1) any type of price support or payments made available under the Agricultural Act of 1949, the Commodity Credit Corporation Charter Act, or any other Act;

(2) a farm storage facility loan under section 4(h) of the Commodity Credit Corporation Charter Act;

(3) crop insurance under the Federal Crop Insurance Act;

(4) a disaster payment under the Agricultural Act of 1949; or

(5) a loan made, insured, or guaranteed under the Consolidated Farm and Rural Development Act or any other provision of law administered by the Farmers Home Administration, if the Secretary determines that such loan will be used for a purpose that will contribute to excessive erosion of highly erodible land, or conversion of wetlands (other than as provided in this section) to produce agricultural commodities.

(b) The Secretary shall issue regulations defining the term "person" and prescribing rules to govern determinations of persons who shall be ineligible for program benefits under this section so as to ensure fair and reasonable determination of ineligibility, in-

cluding regulations that protect the interests of landlords, tenants, and sharecroppers. The ineligibility under subsection (a) of a tenant or sharecropper for benefits shall not cause a landlord to be ineligible for benefits for which the landlord would otherwise be eligible with respect to commodities produced on wetlands other than those operated by the tenant or sharecropper.

EXEMPTIONS

SEC. 412. (a) No person shall become ineligible for program loans, payments, and benefits, as provided under section 411, as the result of the production of a crop of an agricultural commodity—

(1) except as otherwise provided in section 414(m), on any land that was cultivated to produce any of the 1981 through 1985 crops of agricultural commodities or that was set aside, diverted, or otherwise not cultivated under provisions of a Department of Agriculture program for any such crops to reduce production of an agricultural commodity;

(2) planted before the date of the enactment of this Act;

(3) planted during any crop year beginning before the date of the enactment of this Act;

(4) on highly erodible land in an area—

(A) within a conservation district, under a conservation system that has been approved by the conservation district after it has been determined that the conservation system is in conformity with technical standards set forth in the Soil Conservation Service technical guide for that conservation district; or

(B) not within a conservation district, under a conservation system determined by the Secretary to be adequate for the production of an agricultural commodity on highly erodible land;

(5) on highly erodible land that is planted in reliance on the determination by the Soil Conservation Service that the land is not highly erodible land, but the exemption under this paragraph shall not apply to any crop that was planted on any land after the Soil Conservation Service determines that the land is highly erodible land;

(6) on converted wetland if the land became converted wetland before the date of the enactment of this Act; or

(7) on wetland that became converted wetland—

(A) within a conservation district, in accordance with a wetland conservation plan that has been approved by the conservation district under regulations prescribed by the Secretary in consultation with the Secretary of the Interior acting through the United States Fish and Wildlife Service; or

(B) not within a conservation district, in accordance with a wetland conservation plan that has been approved by the Secretary under regulations prescribed by the Secretary in consultation with the Secretary of the Interior acting through the United States Fish and Wildlife Service.

(b) Section 411 shall not apply to any loan made before the date of the enactment of this Act.

COMPLETION OF SOIL SURVEYS

SEC. 413. The Secretary shall, as soon as practicable, complete soil surveys on those private lands that do not have a soil survey suitable for use in determining the land capability class for purposes of this subtitle, and, insofar as possible, concentrate on those localities where significant amounts of highly erodible land are being converted

to the production of agricultural commodities.

CONSERVATION RESERVE PROGRAM

SEC. 414. (a) Notwithstanding any other provision of law, the Secretary shall formulate and carry out a program, in accordance with this section, of contracts with owners and operators of highly erodible cropland to assist them in conserving and improving the soil and water resources of their farms or ranches. Under the program, the Secretary shall not place under contract more than 25 percent of the cropland in any one county.

(b)(1) To carry out this section, except as otherwise provided in paragraph (2), during the period beginning October 1, 1985, and ending September 30, 1990, the Secretary shall enter into conservation reserve contracts, covering in the aggregate not in excess of 20 million acres of highly erodible cropland, with owners and operators of highly erodible cropland. Each such contract under this subsection shall be not less than ten years in duration; and in each such contract, the owner and operator shall agree to—

(A) effectuate during the contract period a plan approved by the local conservation district (or, in an area not within a conservation district, a plan approved by the Secretary) or, if the plan involves conversion to trees, a plan approved by the appropriate State forestry agency, for converting highly erodible cropland normally devoted to the production of an agricultural commodity on the farm or ranch into a less intensive use, such as pasture, permanent grass or legumes, forbs, shrubs, or trees, substantially in accordance with the schedule outlined therein, except to the extent that any requirements thereof are waived or modified by the Secretary;

(B) forfeit all rights to further payments under the contract and refund to the United States all payments, with interest, received thereunder on the violation of the contract at any stage during the time the owner or operator has control of the land if the Secretary, after considering the recommendations of the soil conservation district and the Soil Conservation Service, determines that the violation is of such a nature as to warrant termination of the contract, or make refunds or accept such payment adjustments as the Secretary may deem appropriate if the Secretary determines that the violation by the owner or operator does not warrant termination of the contract;

(C) on transfer of the owner's or operator's right and interest in the farm or ranch during the contract period, forfeit all rights to further payments under the contract and refund to the United States all payments received thereunder, or accept such payment adjustments or make such refunds as the Secretary may deem appropriate and consistent with the objectives of this section, unless the transferee agrees with the Secretary to assume all obligations under the contract;

(D) not conduct, during the term of the contract, any harvesting or grazing nor otherwise make commercial use of the forage on land that is subject to the contract, nor adopt any similar practice specified in the contract by the Secretary as a practice that would tend to defeat the purposes of the contract, except that the Secretary may permit harvesting or grazing or other commercial use of the forage on land that is subject to the contract in response to a drought or other similar emergency;

(E) not conduct, during the term of the contract, any planting of trees on land that

is subject to the contract unless the contract specifies that the harvesting and commercial sale of such trees as Christmas trees is prohibited, nor otherwise make commercial use of trees on land that is subject to the contract unless it is expressly permitted in the contract, nor adopt any similar practice specified in the contract by the Secretary as a practice that would tend to defeat the purposes of the contract. No contract shall prohibit activities consistent with customary forestry practice, such as pruning, thinning (including, but not limited to, thinning that results in commercial pulpwood and fence post harvesting), or stand improvement of trees, on lands converted to forestry use; and

(F) such additional provisions as the Secretary determines are desirable and are included in the contract to effectuate the purposes of the program or to facilitate the practical administration thereof.

(2) Notwithstanding any provision of paragraph (1) that is inconsistent with this paragraph, as a part of the program, in addition to the conservation reserve contracts provided for under paragraph (1), the Secretary shall remove up to 5 million additional acres of highly erodible cropland from production through long-term conservation reserve contracts, of up to 10 years in duration, with the owners and operators of such cropland. Contract payments made to the owners and operators of highly erodible cropland under this paragraph shall be made in surplus agricultural commodities held by the Commodity Credit Corporation, except that, if the Secretary determines that sufficient stocks of commodities will not be available or that payment in commodities under this paragraph will have a depressing effect on the market price of such commodities, the Secretary may make such payments in cash.

(c) The plan, as described in subsection (b)(1)(A), for converting highly erodible cropland normally devoted to the production of agricultural commodities on a farm or ranch to a less intensive use shall set forth the conservation measures and practices to be installed by the owner or operator during the contract period and the commercial use, if any, to be made of the land during such period and may provide for the permanent retirement of any existing cropland base and allotment history for the land.

(d)(1)(A) In return for such agreement by the owner and operator, the Secretary shall agree to—

(i) provide technical assistance;

(ii) share the cost of carrying out the conservation measures and practices set forth in the contract for which the Secretary determines that cost-sharing is appropriate and in the public interest; and

(iii) pay an annual land rental fee, for a period of years not in excess of the duration of the contract, necessary for converting highly erodible cropland normally devoted to the production of an agricultural commodity on the farm or ranch to a less intensive use and necessary for obtaining the retirement of any cropland base and allotment history that the owner and operator agree to retire permanently.

(B) The Secretary shall provide payment to each contracting party—

(i) with respect to any cost-share payment obligation incurred by the Secretary under the contract, as soon as possible after the obligation is incurred; and

(ii) with respect to any annual land rental fee obligation incurred by the Secretary under the contract, as soon as practicable

after October 1 of each calendar year, except that the Secretary, at the Secretary's discretion, may pay any such fee prior to such date at any time during the year that the obligation is incurred.

(2) A reduction, based on a ratio between the total cropland acreage on the farm and the acreage placed in the conservation reserve, as determined by the Secretary, shall be made during the period of the contract in crop bases, quotas, and allotments with respect to crops for which there is a production adjustment program.

(3) No persons who enter into a contract under this section for a farm or ranch may receive annual rental fees applicable to the farm or ranch under the contract in excess of \$50,000 per year. The Secretary shall issue regulations defining the term "persons", as used in this paragraph, and prescribing such rules as the Secretary determines necessary to ensure a fair and reasonable application of the limitation contained in this paragraph; and the rules for determining whether corporations and their stockholders may be considered as separate persons shall be in accordance with the regulations issued by the Secretary on December 18, 1970, under section 101 of the Agricultural Act of 1970.

(e) The Secretary shall pay 50 per centum of the cost of installing, and maintaining for the normally expected lifespan, conservation measures and practices set forth in contracts under this section for which the Secretary determines that cost-sharing is appropriate and in the public interest.

(f)(1) In determining the amount of annual land rental to be paid for converting highly erodible cropland normally devoted to the production of an agricultural commodity to less intensive use, the Secretary may consider, among other things, the amount necessary to encourage owners and operators of highly erodible cropland to participate in the program under this section. The total amount payable to owners and operators in the form of annual land rental fees under contracts entered into under this section may be determined through the submission of bids in such manner as the Secretary may prescribe or through such other means as the Secretary determines appropriate.

(2) In determining the acceptability of contract offers, the Secretary may take into consideration the extent of erosion on the land that is the subject of the contract and the productivity of the acreage diverted and may, where appropriate, accept contract offers that provide for the establishment of—

(A) shelterbelts and windbreaks; or

(B) permanently vegetated stream borders, filter strips of permanent grass, forbs, shrubs, and trees that will reduce sedimentation substantially.

(g) Except as otherwise provided in this section, payments under this section—

(1) shall be made in cash or in commodities in such amount and on such time schedule as agreed on and specified in the contract; and

(2) may be made in advance of determination of performance.

(h) If a person who is entitled to any payment or compensation under this section dies, becomes incompetent, or disappears before receiving the payment or compensation, or is succeeded by another who renders or completes the required performance, the Secretary shall make or provide the payment or compensation, in accordance with appropriate regulations and without regard

to any other provisions of law, in such manner as the Secretary determines to be fair and reasonable in light of all the circumstances.

(1) No contract shall be entered into under this section concerning land with respect to which the ownership has changed in the three-year period preceding the first year of the contract period unless—

(A) the new ownership was acquired by will or succession as a result of the death of the previous owner;

(B) the new ownership was acquired before January 1, 1985; or

(C) the Secretary determines that the land was acquired under circumstances that give adequate assurance that such land was not acquired for the purpose of placing it in the program.

(2) Paragraph (1) shall not prohibit the continuation of an agreement by a new owner after an agreement has been entered into under this section, nor require a person to own the land as a condition of eligibility for entering into the contract if the person has operated the land to be covered by a contract under this section for at least three years preceding the date of the contract or since January 1, 1985, whichever is later, and controls the land for the contract period.

(j) The Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing, on a fair and equitable basis, in payments under the program.

(k) The Secretary may terminate any contract under this section by mutual agreement with the owner and operator if the Secretary determines that termination would be in the public interest, or may agree to any modification of contracts as the Secretary may determine to be desirable to carry out the purposes of this section or facilitate its administration, or to be in the public interest.

(l) Notwithstanding section 411, the Secretary, by appropriate regulation, may provide for preservation of cropland base and allotment history applicable to acreage converted from the production of agricultural commodities under this section, for the purpose of any Federal program under which the history is used as a basis for participation in the program or for an allotment or other limitation in the program, unless the owner and operator agree under the contract to retire permanently that cropland base and allotment history.

(m) In the event of the termination of a contract under subsection (b)(1)(B) or (k) and on expiration of the term of any contract entered into under subsection (b), the highly erodible cropland that was the subject of such contract shall be considered highly erodible cropland for the purposes of section 411.

(n) The Secretary may carry out the program under this section through the Commodity Credit Corporation. There are authorized to be appropriated, without fiscal year limitation, such sums as may be necessary to reimburse the Commodity Credit Corporation for any amounts expended by it in accordance with this section and not previously reimbursed.

(o) The Secretary shall consider for inclusion in the program under this section those lands that are not highly erodible lands but that pose an off-farm environmental threat or, if permitted to remain in production, pose a threat of continued degradation of productivity due to soil salinity.

ADMINISTRATIVE PROVISIONS

SEC. 415. (a) In addition to the appropriations authorized under section 414(n), there are hereby authorized to be appropriated such other sums as may be necessary to carry out this subtitle.

SATISFYING REQUIREMENT WITH HIGHLY ERODIBLE CROPLAND

SEC. 416. If any land is required to be set aside, diverted, or otherwise not cultivated under the provisions of a program under this title, the producer shall satisfy such requirement to the extent possible with highly erodible cropland (as defined in section 1201 of the Food Security Act of 1985). Any such highly erodible land so set aside, diverted, or not cultivated, during a period of four succeeding crop years shall be excluded from any crop acreage base for any program crop (as computed under section 604 of the Agricultural Act of 1949).

(b) In carrying out this subtitle, the Secretary shall use the services of local, county, and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act, and the technical services of the Soil Conservation Service, the Forest Service, State foresters or equivalent State officials, and conservation districts.

(c) The Secretary shall establish, by regulation, an appeal procedure under which a person who is adversely affected by any determination made under this subtitle may seek review of such determination.

(d) The Secretary shall, within 180 days after the enactment of this subtitle publish in the Federal Register such regulations as the Secretary determines desirable to implement this subtitle.

(e) The authority provided by this subtitle shall be in addition to and not in place of other authorities available to the Secretary and the Commodity Credit Corporation for carrying out soil and water conservation programs.

TITLE V—FOOD ASSISTANCE PROGRAMS

SUBTITLE A—FOOD STAMP PROGRAM ADJUSTMENT OF THRIFTY FOOD PLAN

SEC. 501. Clause (8) of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)(8)) is amended to read as follows: "(8) on October 1, 1985, and each October 1 thereafter, adjust the cost of such diet to reflect the average cost of the thrifty food plan for the fiscal year beginning on such date, as projected by the Secretary on the basis of the best data available, and round the result to the nearest lower increment for each household size;"

EARNED INCOME DEDUCTION

SEC. 502. The third sentence of section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking out "18 per centum" and inserting in lieu thereof "20 per centum".

DEPENDENT CARE AND EXCESS SHELTER DEDUCTIONS

SEC. 503. The fourth sentence of section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended—

(1) by striking out "the same as that for the excess shelter expense deduction contained in clause (2) of this subsection," in clause (1) and inserting in lieu thereof "\$160";

(2) by striking out "or (2)" and inserting in lieu thereof "and (2)";

(3) in the proviso of clause (2)—

(A) by striking out "\$115" and inserting in lieu thereof "\$175"; and

(B) by striking out "\$200, \$165, \$140, and \$85" and inserting in lieu thereof "\$260, \$225, \$200, and \$145"; and

(4) by striking out "or (3)" and all that follows through the period and inserting in lieu thereof a period.

CALCULATION OF INCOME

SEC. 504. (a) Section 5(f)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(2)) is amended—

(1) by striking out subparagraph (B) and inserting in lieu thereof the following new subparagraph:

"(B) Household income for all other households shall be calculated either on a prospective basis as provided in paragraph (3)(A) or on a retrospective basis as provided in paragraph (3)(B), as elected by the State agency under regulations prescribed by the Secretary;" and

(2) by striking out subparagraph (C).

(b) The first sentence of section 6(c)(1) such Act (7 U.S.C. 2015(c)(1)) is amended by inserting "that elect to use a system of retrospective accounting in accordance with section 5(f) of this Act" after "State agencies".

SUPPLEMENTATION OF ALLOTMENTS

SEC. 505. The third sentence of section 5(f)(3)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(3)(B)) is amended by inserting "and for supplementing the allotments of households that experience during a month sudden and significant losses of income of more than \$100" before the period at the end thereof.

RESOURCE LIMITATIONS

SEC. 506. Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended—

(1) by striking out "\$1,500" and "\$3,000" in the first sentence and inserting in lieu thereof "\$2,250" and "\$3,500", respectively; and

(2) by striking out "\$4,500" in the second sentence and inserting in lieu thereof "\$5,500".

PERSONAL PROPERTY LIMITATIONS

SEC. 507. Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended by adding at the end thereof the following new subsection:

"(k)(1) For the purposes of this subsection:

"(A) The term 'civil jurisdiction' means—

"(i) a city with a population of fifty thousand or more people, based on the most recently available estimates of the Bureau of the Census;

"(ii) a town or township in the State of New Jersey, New York, Michigan, or Pennsylvania with a population of fifty thousand or more people, based on the most recently available estimates of the Bureau of the Census, that possesses powers and functions similar to those of cities;

"(iii) a county or parish, except those counties or parishes that contain any civil jurisdiction included in clause (i) or (ii);

"(iv) the balance of a county or parish consisting of a county or parish less any component civil jurisdiction included in clause (i) or (ii); or

"(v) a county equivalent that is a town in the State of Massachusetts, Rhode Island, or Connecticut.

"(B) The term 'high unemployment area' means—

"(i) an area classified as a surplus labor area by the Secretary of Labor; or

"(ii) a civil jurisdiction in which the unadjusted unemployment rate, as determined monthly by the Bureau of Labor Statistics

of the Department of Labor, has not been less than 10 per centum during the most recent six-month period for which information is available.

"(2) Notwithstanding subsection (g), if a household is located in a high unemployment area or an area experiencing a high rate of farm foreclosures (as determined by the Secretary), the personal property held by such household that is excluded from the resource limitations imposed for nonliquid assets under subsection (g) shall be included in the resources of such household for purposes of determining the eligibility of the household for participation in the food stamp program unless the household disposes of such property in the manner, and within the period of time (not to exceed four months), prescribed by the Secretary.

"(3) Any coupons issued to a household during the period for which disposal of property is required under paragraph (2) shall be—

"(A) conditioned on the disposal of the property; and

"(B) considered an overissuance of coupons if—

"(i) at the time of the disposal, the Secretary determines that the coupons would not have been issued if the disposal had occurred at the beginning of the period for which such coupons were issued; or

"(ii) at the end of the authorized disposal period, the property is not disposed of by the household.

"(4) To carry out this subsection, the Secretary shall—

"(A) obtain from the Secretary of Labor information necessary to determine which areas and civil jurisdictions in each State are high unemployment areas;

"(B) determine which areas and civil jurisdictions in each State are experiencing a high rate of farm foreclosures; and

"(C) supply relevant information referred to in clause (A) and (B) to State agencies."

FOOD STAMP INFORMATION

SEC. 508. Clause (A) of section 11(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(1)(A)) is amended to read as follows: "(A) conduct public information activities reasonably designed to inform low-income households about the availability, eligibility requirements, and benefits of the food stamp program; and"

AUTHORIZATION FOR APPROPRIATIONS

SEC. 509. The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended to read as follows: "To carry out this Act, there are authorized to be appropriated such sums as may be necessary for the fiscal year ending September 30, 1986, and each fiscal year thereafter through the fiscal year ending September 30, 1989."

SUBTITLE B—CHILD NUTRITION PROGRAMS

SUMMER FOOD SERVICE PROGRAM FOR CHILDREN

SEC. 520. (a) The second sentence of section 13(a)(1) of the National School Lunch Act (42 U.S.C. 1761(a)(1)) is amended—

(1) by inserting ", private nonprofit organizations," after "governments" in clause (B);

(2) by striking out "50 percent" in clause (C) and inserting in lieu thereof "33½ percent";

(3) by striking out "and" at the end of clause (D); and

(4) by inserting before the period at the end thereof the following: ", and (F) 'private nonprofit organizations' means organizations (including summer camps) that (i) operate at not more than fifteen sites (or, if

a waiver under subsection (i)(2) is granted, at not more than twenty sites); (ii) use self-preparation facilities to prepare meals or obtain meals from a public facility (such as a school district, public hospital, or State university); and (iii) meet the requirements of subsection (i))."

(b) Section 13 of such Act is amended by inserting after subsection (h) the following new subsection:

"(i)(1) A private nonprofit organization shall be eligible to provide services under a program authorized by this section during a year only if the organization—

"(A) operates in an area where a school food authority or the local, municipal, or county government has not indicated by March 1 of such year that such authority or such unit of government will operate such program in such year;

"(B) exercises full control and authority over the operation of such program at all sites under its sponsorship;

"(C) provides ongoing year-round activities for children;

"(D) demonstrates adequate management and fiscal capacity to operate such program; and

"(E) meets applicable State and local health, safety, and sanitation standards.

"(2) The Secretary may waive the limitation of fifteen sites imposed under subsection (a)(1)(F) for participation in the program authorized by this section, and permit a private nonprofit organization to operate up to twenty sites and maintain eligibility to participate in such program, if such organization demonstrates to the satisfaction of the Secretary that a need for such additional sites exists and that such organization has the capability to serve such additional sites."

SCHOOL BREAKFASTS

SEC. 521. (a) Section 4(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)) is amended by adding at the end thereof the following new paragraph:

"(3)(A) To the extent practicable, the Secretary shall increase by 6 cents the annually adjusted level of payments authorized for each breakfast served under this Act and section 17 of the National School Lunch Act (42 U.S.C. 1766) in order to assist States in improving the nutritional quality of such breakfasts.

"(B) A State or local source may not diminish the amount of funds expended to provide such breakfasts as a result of funds received under this paragraph."

(b)(1) The Secretary of Agriculture shall review and revise the nutrition requirements for meals served under the school breakfast program established under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) in order to improve the nutritional quality of such meals, taking into consideration—

(A) the findings of the National Evaluation of School Nutrition Programs; and

(B) the need to provide increased flexibility in meal planning to local school food authorities.

(2) No later than one hundred and eighty days after the date of enactment of this Act, the Secretary of Agriculture shall promulgate regulations to implement the revisions referred to in paragraph (1).

SUBTITLE C—FOOD DISTRIBUTION PROGRAMS

COMMODITY SUPPLEMENTAL FOOD PROGRAM

SEC. 530. Section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended by striking out "during fiscal years 1982, 1983, 1984, and

1985" and inserting in lieu thereof "during the period beginning October 1, 1985, and ending September 30, 1989".

TEMPORARY EMERGENCY FOOD ASSISTANCE PROGRAM

SEC. 531. (a) Section 212 of the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note) is amended by striking out "1985" and inserting in lieu thereof "1989".

(b) The first sentence of section 1114(a) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e) is amended by inserting "to eligible recipient agencies for distribution under the Temporary Emergency Food Assistance Act of 1983 (7 U.S.C. 612c note)," after "food service,".

SUBTITLE D—EFFECTIVE DATE

EFFECTIVE DATE

SEC. 540. This title and the amendments made by this title shall become effective on October 1, 1985.

TITLE VI—EFFECTIVE DATE

EFFECTIVE DATE

SEC. 601. Except as otherwise provided in this Act, this Act and the amendments made by this Act shall become effective on the date of enactment of this Act.

By Mr. BADHAM:

—Page 432, strike out line 18 and all that follows thereafter through page 433, line 4, and redesignate the succeeding sections accordingly.

By Mr. BEDELL:

—On page 124, line 14, strike the quotation mark and the second period.

On page 124, after line 14, add a new section as follows:

"PROGRAM BASES

"Sec. 509. Notwithstanding section 605, for any crop of wheat or feed grains for which a national marketing certificate program is approved under section 503, no producer of such crop may adjust the producer's crop acreage base for the crop as provided for in section 605, and the producer's base for such crop shall be as determined under title VI without regard to section 605."

—EXPORT OF VALUE-ADDED COMMODITIES

On page 258, after line 24, insert the following new clause (ii) and redesignate the following clauses accordingly:

"(ii) livestock and poultry;

On page 259, line 7, strike all that follows through the period after "in clauses (i)" and insert in lieu thereof the following:

" , (ii), and (iii) that are produced or processed in the United States."

—On page 278, line 16, add the word "and" following the semicolon.

On page 278, line 23, strike "; and" and insert a period in lieu thereof.

On page 278, beginning on line 24, strike paragraph (11).

On page 279, beginning on line 6, strike all that follows through line 18 on page 282, and insert in lieu thereof the following:

"EXPORT MARKET DEVELOPMENT REPORT

"Sec. 1154. In order to implement the findings set forth in section 1153, not later than one year after the date of enactment of this Act, the Secretary of Agriculture, in conjunction with the Administrator of the Agency for International Development, and in consultation with the Secretary of State and the United States Trade Representative, shall submit to the President and the Congress a report that—

"(1) contains a global analysis that evaluates future production and food needs in

the world, with special attention to the developing countries;

"(2) identifies a minimum of fifteen target countries that are most likely to emerge as growth markets for agricultural commodities and products thereof in the next five to ten years; and

"(3) contains a detailed plan for using available export and food aid authorities to increase United States exports of agricultural commodities and products thereof to each of such target countries, and specifies the particular export and food aid authorities to be used in each such country and the manner in which such authorities are to be used. Each year thereafter, through fiscal year 1990, the Secretary shall submit a revised report to the President and the Congress that evaluates the progress made in implementing the plan, contains any changes that need to be made in the plan based on changed conditions, and recommends any changes in legislative authorities that are needed to accomplish the objectives of this section."

—Page 385, after line 23, insert the following new section (and redesignate references and succeeding sections accordingly):

INCOME FROM SELF-EMPLOYMENT

Sec. 1508. Section 5(f)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)(A)) is amended by adding at the end thereof the following: "Notwithstanding the preceding sentence, if the averaged amount does not accurately reflect the household's actual monthly circumstances because the household has experienced a substantial increase or decrease in business, the State agency shall calculate the self-employment income based on anticipated earnings."

TITLE VA—PRODUCER-APPROVED WHEAT AND FEED GRAIN PROGRAMS

REFERENDA AND PRODUCTION ACREAGES, MARKETING CERTIFICATES, AND MINIMUM LOAN RATES FOR THE 1986 THROUGH 1990 CROPS OF WHEAT AND FEED GRAINS

Sec. 551. Effective only for the 1986 through 1990 crops, the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended by adding at the end thereof a new title V as follows:

"TITLE V—REFERENDA AND PRODUCTION ACREAGES, MARKETING CERTIFICATES, AND MINIMUM LOAN RATES FOR THE 1986 THROUGH 1990 CROPS OF WHEAT AND FEED GRAINS

"FINDINGS AND POLICY

"Sec. 501. (a) Congress finds that—

"(1) wheat and feed grains are essential agricultural commodities for the Nation, are produced throughout the United States by hundreds of thousands of farmers, and along with their products flow in substantial amounts through instrumentalities of interstate and foreign commerce from producers to consumers;

"(2) abnormally excessive and abnormally deficient supplies of wheat and feed grains on the country-wide market acutely and directly affect, burden, and obstruct interstate and foreign commerce; and

"(3) interstate and foreign commerce in wheat and feed grains, and their products, should be protected from burdensome surpluses and disruptive shortages, a supply of the commodities should be maintained to meet domestic consumption needs and export demand, and soil and water resources of the Nation should not be squandered in the production of surplus burdensome supplies of the commodities.

"(b) It hereby is declared to be the policy of Congress that it is in the interest of the general welfare to assist in the marketing of wheat and feed grains for domestic consumption and export; to regulate interstate and foreign commerce in the commodities to the extent necessary to provide an orderly, adequate, and balanced flow of the commodities in interstate and foreign commerce; and to provide loans and other means to maintain farm income for producers of the commodities, reduce excess production, and enable consumers to obtain an adequate and steady supply of such commodities at fair prices.

"CONSUMER SAFEGUARDS

"Sec. 502. The powers conferred under this title shall not be used to discourage the production of supplies of food and animal feed sufficient to meet normal domestic and export needs, as determined by the Secretary. In carrying out the purposes of this title, the Secretary shall give due regard to the maintenance of a continuous and stable supply of agricultural commodities from domestic production adequate to meet consumer demand at prices fair both to producers and consumers.

"WHEAT AND FEED GRAIN REFERENDA

"Sec. 503. (a) The Secretary shall conduct a referendum by secret ballot of wheat and feed grain producers every two years to determine whether they favor or oppose the national marketing certificate program under this title. In the case of the 1986 and 1987 crops, the referendum shall be conducted as soon as practicable after enactment of the Food Security Act of 1985, but not later than February 1, 1986. For the 1988 and 1989 crops, the referendum shall be conducted not later than July 1, 1987, and for the 1990 crop, not later than July 1, 1989.

"(b) Any producer on a farm with a wheat or feed grain crop acreage base of fifteen or more acres for the than current crop, as determined under title VI, shall be eligible to vote in a referendum. For the purposes of this section, the term 'producer' shall include any person who is entitled to share in a crop of the commodity, or the proceeds thereof, because the person shares in the risks of production of the crop as an owner, landlord, tenant, or sharecropper. A landlord whose return from the crop is fixed regardless of the amount of the crop produced shall not be considered a producer.

"(c) The Secretary shall proclaim the result of any referendum held hereunder within fifteen days after the date of such referendum, and if the Secretary determines that 60 per centum or more of the producers of wheat and feed grains (including 50 per centum or more of the producers of wheat and 50 per centum or more of the producers of feed grains) voting in the referendum are in favor of the implementation of the national marketing certificate program, the Secretary shall proclaim that a national marketing certificate program will be in effect for—

"(1) with respect to the referendum held not later than February 1, 1986, the 1986 and 1987 crops of wheat and feed grains;

"(2) with respect to the referendum held not later than July 1, 1987, the 1988 and 1989 crops of wheat and feed grains; and

"(3) with respect to the referendum held not later than July 1, 1989, the 1990 crops of wheat and feed grains.

"(d) If marketing certificates are not approved by producers in a referendum conducted under this section with respect to

any crop of wheat or feed grains, in lieu of a national marketing certificate program for that crop, the Secretary shall provide such loans, purchases, payments, and other assistance to producers of wheat and feed grains as provided for elsewhere in this Act.

"NATIONAL MARKETING CERTIFICATE PROGRAM—WHEAT

"Sec. 504. (a) Notwithstanding any other provision of this Act, if a national marketing certificate program for a crop of wheat is approved under section 503, the Secretary shall make available to producers on each farm loans and purchases for such crop of wheat for an amount of wheat produced on the farm equal to the individual farm program acreage for the crop, as determined under subsection (c) or (e) of section 107D (as limited under subsection (b)), times the farm's program yield for the crop of wheat, as determined under title VI. Loans and purchases shall be made available during the marketing year for any such crop of wheat at such level as the Secretary determines will maintain the competitive relationship of wheat to other grains in domestic and export markets after taking into consideration the cost of producing wheat, supply and demand conditions, and world prices for wheat, except that the level of wheat loans and purchases for any such marketing year may not be established at less than \$4.50 per bushel of wheat.

"(b) Notwithstanding the provisions of section 107D, if a national marketing certificate program for a crop of wheat is approved under section 503, the individual farm program acreages for such crop may not be established at less than 65 per centum of each farm's wheat crop acreage base for the crop.

"(c)(1) The Secretary shall make available to producers on each farm marketing certificates for any of the 1986 through 1990 crops of wheat for which a national marketing certificate program is in effect. The amount of such marketing certificates made available to the producers on a farm for a crop shall equal an amount of wheat determined by multiplying the individual farm program acreage for the crop, as determined under subsection (c) or (e) of section 107D (as limited under subsection (b)), by the farm's program yield for the crop of wheat, as determined under title VI.

"(2) A marketing certificate applicable to a crop of wheat issued to a producer shall authorize such producer to market, barter, or donate, without restriction, an amount of wheat equal to the amount of such marketing certificate. Wheat may not be marketed, bartered, or donated domestically by a producer without a marketing certificate, except that wheat not accompanied by a marketing certificate may be used for feed, human consumption, or other purposes on the farm of the producer, or may be sold or otherwise transferred by the producer for export.

"(3) Wheat accompanied by a marketing certificate that is sold or otherwise transferred for export shall be eligible for an export incentive payment on such wheat, as provided in section 1125 of the Food Security Act of 1985.

"(4) Wheat accompanied by a marketing certificate that is marketed, bartered, or donated domestically and purchased or otherwise acquired by a domestic user of such wheat may be eligible for an incentive payment, as determined by the Secretary, to assure that such wheat and the products

thereof remain competitive in the domestic market for such wheat and wheat products.

"(5) If for any crop, wheat that the producer harvests exceeds the amount of the commodity that may be marketed, bartered, or donated by the producer under a marketing certificate, the excess may be used for feed, human consumption, or other purposes on the farm of the producer, or sold or otherwise transferred for export. In addition, such excess may be carried over by the producer from one marketing year to the succeeding marketing year and marketed under a certificate in the succeeding, marketing year to the extent that (A) the total amount of such wheat available for marketing under a certificate from the farm in the marketing year from which such commodity is carried over does not exceed the amount of the marketing certificates made available to the producers on the farm for that crop, and (B) the total amount of wheat available for marketing under a certificate in the succeeding marketing year (that is, the sum of the amount of such wheat carried over and the amount of wheat produced on the farm eligible for marketing certificates in the succeeding year) does not exceed the amount of marketing certificates made available to the producers on the farm for the succeeding marketing year.

"(6) Marketing certificates made available to a producer of wheat shall not be transferable, except to the extent that such certificates accompany wheat that is marketed, bartered, or donated under paragraph (2), and any such transfer that does not accompany wheat shall render such certificates null and void.

"(7) Wheat harvested in a calendar year in which marketing certificates are made available to producers for the marketing year beginning therein may not be marketed by a producer under a certificate prior to the date on which such marketing year begins.

"(8) No person may purchase or otherwise acquire an amount of wheat in excess of the amount of wheat that may be marketed, bartered, or donated under marketing certificates issued under this title and held or readily available, except wheat that must be exported may be acquired as provided under paragraph (2).

"(9) If marketing certificates for wheat are not made available to producers for any crop, all previous marketing certificates applicable to wheat shall be terminated, effective as of the first day of the marketing year for such crop of wheat.

"(10) Except as otherwise provided in this title, the disaster payment, program yield, program acreage, acreage reduction, paid diversion, and related provisions of section 107D shall apply to producers of wheat for which a national marketing certificate program is in effect under this title.

"PENALTIES WITH RESPECT TO WHEAT

"Sec. 505. (a)(1) Notwithstanding any other provision of this Act, except as provided in subsection (b), if a producer fails to comply with any term or condition of a wheat program conducted under this title, the producer shall be ineligible for any loan, purchase, or payment under this Act for the crop of wheat involved.

"(2) Except as provided in subsection (c), during the marketing year for any crop of wheat for which marketing certificates are made available to producers, if any person markets, barters, or donates wheat other than for export without marketing certificates issued under section 504 or markets, barters, or donates an amount of wheat for domestic use in excess of the amount of

wheat the person is permitted to market, barter, or donate under such certificates, the Secretary shall—

"(A) assess a civil penalty against such person in an amount equal to three times the current minimum loan rate for the wheat so marketed, bartered, or donated, or

"(B) with respect to a producer, decrease the number of acres of farm's individual farm program acreage for wheat such producer may devote to production for the succeeding crop of wheat by a number of acres that, if planted, would result in the production of a quantity sufficient to satisfy the penalty referred to in subparagraph (A).

"(3) If a person, knowingly purchases or otherwise acquires an amount of wheat for any purpose other than export in excess of the amount of wheat that may be marketed, bartered, or donated by such person under marketing certificates issued under this title and held or readily available to such person, the Secretary shall assess a civil penalty against such person in an amount equal to three times the current minimum loan rate for the wheat so purchased or acquired.

"(b) If a producer fails to comply fully with the terms and conditions of a wheat program conducted under this title and the Secretary believes the failure should not preclude the making of loans, purchases, or payments under this Act to the producer, the Secretary may make loans, purchases, or payments in such amounts as the Secretary determines to be equitable in relation to the severity of the program violation.

"(c) If the Secretary otherwise determines that the penalties provided for in subsection (a) are not warranted by the severity of the program violation, the Secretary may reduce or waive such penalties.

"(d) Penalties collected under this section shall be deposited into the account of the Commodity Credit Corporation.

"(e) The prohibitions and penalties for marketing, bartering, donating, purchasing, or otherwise acquiring wheat set out in this section or section 504 shall apply to wheat in unprocessed or processed form, and to products of wheat, prior to the conversion of such wheat or wheat products into end-use food or other products or intermediate-use products in which the wheat or wheat product loses its separate identity.

"NATIONAL MARKETING CERTIFICATE PROGRAM— FEED GRAINS

"Sec. 506(a)(1) Notwithstanding any other provision of this Act, if a national marketing certificate program for a crop of feed grains is approved under section 503, the Secretary shall make available to producers on each farm loans and purchases for such crop of feed grains for an amount of feed grains produced on the farm equal to the individual farm program acreage for the crop, as determined under subsection (c) or (e) of section 105C (as limited under subsection (b)), times the farm program yield for the crop, as determined under title VI.

"(2) Loans and purchases shall be made available during the marketing year for any such crop of corn at such level as the Secretary determines will maintain the competitive relationship of feed grains to other grains in domestic and export markets after taking into consideration the cost of producing feed grains, supply and demand conditions, and world prices for feed grains, except that the level of corn loans and purchases for the 1986 through 1990 marketing years may not be established at less than \$3.25 per bushel of corn.

"(3) Loans and purchases shall be made available for a crop of grain sorghums,

barley, oats, or rye, respectively, at such level as the Secretary determines is fair and reasonable in relation to the level most loans and purchases are made available for corn under this subsection, taking into consideration the feeding value of such commodity in relation to corn and other factors specified in section 401(b) of this Act.

"(b) Notwithstanding the provisions of section 107D, if a national marketing certificate program for a crop of feed grains is approved under section 503, the individual farm program acreages for such crop may not be established at less than 80 per centum of each farm's feed grains crop acreage base for the crop.

"(c)(1) The Secretary shall make available to producers on each farm marketing certificates for any of the 1986 through 1990 crops of feed grains for which a national marketing certificate program is in effect. The amount of such marketing certificates made available to the producers on a farm for a crop shall equal an amount of feed grains determined by multiplying the individual farm program acreage for the crop, as determined under subsection (c) or (e) of section 105C (as limited under subsection (b)), by the farm's program yield for the crop, as determined under title VI.

"(2) A marketing certificate applicable to a crop of feed grains issued to a producer shall authorize such producer to market, barter, or donate, without restriction, an amount of feed grains equal to the amount of such marketing certificate. Feed grains may not be marketed, bartered, or donated domestically by a producer without a marketing certificate, except that feed grains not accompanied by a marketing certificate may be used for feed, human consumption, or other purposes on the farm of the producer, or may be sold or otherwise transferred by the producer for export.

"(3) Feed grains accompanied by a marketing certificate that are sold or otherwise transferred for export shall be eligible for an export incentive on such feed grains, as provided in section 1125 of the Food Security Act of 1985.

"(4) Feed grains accompanied by a marketing certificate that are marketed, bartered, or donated domestically and purchased or otherwise acquired by a domestic user of such feed grains may be eligible for an incentive payment, as determined by the Secretary, to ensure that such feed grains and the products thereof remain competitive in the domestic market for such feed grains and feed grains products.

"(5) If for any crop, feed grains that the producer harvests exceed the amount of the commodity that may be marketed, bartered, or donated by the producer under a marketing certificate, the excess may be used for feed, human consumption, or other purposes on the farm of the producer, or sold or otherwise transferred for export. In addition, such excess may be carried over by the producer from one marketing year to the succeeding marketing year and marketed under a certificate in the succeeding marketing year to the extent that (A) the total amount of such feed grains available for marketing under a certificate from the farm in the marketing year from which such commodity is carried over does not exceed the amount of the marketing certificates made available to the producers on the farm for that crop, and (B) the total amount of feed grains available for marketing under a certificate in the succeeding marketing year (that is, the sum of the amount of such feed grains carried over and the amount of feed

grains produced on the farm eligible for marketing certificates in the succeeding year) does not exceed the amount of marketing certificates made available to the producers on the farm for the succeeding marketing year.

"(6) Marketing certificates made available to a producer of feed grains shall not be transferable, except to the extent that such certificates accompany feed grains, that are marketed, bartered, or donated under paragraph (2), and any such transfer that does not accompany feed grains shall render such certificates null and void.

"(7) Feed grains harvested in a calendar year in which marketing certificates are made available to producers for the marketing year beginning therein may not be marketed by a producer under a certificate prior to the date on which such marketing year begins.

"(8) No person may purchase or otherwise acquire an amount of feed grains in excess of the amount of feed grains that may be marketed, bartered, or donated under marketing certificates issued under this title and held or readily available, except that feed grains that must be exported may be acquired as provided under paragraph (2).

"(9) If marketing certificates for feed grains are not made available to producers for any crop, all previous marketing certificates applicable to feed grains shall be terminated, effective as of the first day of the marketing year for such crop of feed grains.

"(10) Except as otherwise provided in this title, the disaster payment, program yield, program acreage, acreage reduction, paid diversion, and related provisions of section 105C shall apply to feed grains and producers of feed grains for which a national marketing certificate program is in effect under this title.

"PENALTIES WITH RESPECT TO FEED GRAINS

"SEC. 507.(a)(1) Notwithstanding any other provision of this Act, except as provided in subsection (b), if a producer fails to comply with any term or condition of a feed grain program conducted under this title, the producer shall be ineligible for any loan, purchase, or payment under this Act for the crop of feed grains involved.

"(2) Except as provided in subsection (c), during the marketing year for any crop of feed grains for which a marketing certificate is made available to producers if any person markets, barter, or donates feed grains other than for export without a marketing certificate issued under section 506 or markets, barter, or donates an amount of feed grains for domestic use in excess of the amount of the commodity the person is permitted to market, barter, or donate under such certificates, the Secretary shall—

"(A) assess a civil penalty against such person in an amount equal to three times the current minimum loan rate for the feed grains so marketed, bartered, or donated, or

"(B) with respect to a producer, decrease the number of acres of the farm's individual farm program acreage for feed grains such producer may devote to production for the succeeding crop of feed grains by a number of acres that, if planted, would result in the production of a quantity sufficient to satisfy the penalty referred to in subparagraph (A).

"(3) If a person knowingly purchases or otherwise acquires an amount of feed grains for any purpose other than export in excess of the amount of feed grains that may be marketed, bartered, or donated by such person under marketing certificates issued under this title and held or readily available to such person, the Secretary shall assess a

civil penalty against such person in an amount equal to three times the current minimum loan rate for the feed grains so purchased or acquired.

"(b) If a producer fails to comply fully with the terms and conditions of a feed grain program conducted under this title and the Secretary believes the failure should not preclude the making of loans, purchases, or payments under this Act to the producers, the Secretary may take loans, purchases, or payments in such amounts as the Secretary determines to be equitable in relation to the severity of the program violation.

"(c) If the Secretary otherwise determines that the penalties provided for in subsection (a) are not warranted by the severity of the program violation, the Secretary may reduce or waive such penalties.

"(d) Penalties collected under this section shall be deposited into the account of the Commodity Credit Corporation.

"(e) The prohibitions and penalties for marketing, bartering, donating, purchasing, or otherwise acquiring feed grains set out in this section and section 506 shall apply to feed grains in unprocessed or processed form, and to products of feed grains, prior to the conversion of such feed grains or feed grain products into end-use food or other products or intermediate-use products in which the feed grains or feed grain product loses its separate identity.

"PROGRAM BASES

"SEC. 508. Notwithstanding section 605, for any crop of wheat or feed grains for which a national marketing certificate program is approved under section 503, no producer of such crop may adjust the producer's crop acreage base for the crop as provided for in section 605, and the producer's base for such crop shall be as determined under title VI without regard to section 605.

"NONAPPLICABILITY OF NONRECOURSE LOAN LIMIT

"SEC. 509. The limitations established under section 405(b), as effective for the 1986 through 1990 crops, shall not apply to loans that a person may receive with respect to any crop of wheat or feed grains for which the national marketing certificate program provided for under this title is in effect.

"FEES OR QUANTITATIVE LIMITATIONS

"SEC. 510. In carrying out the provisions of this title, the Secretary shall advise the President, as necessary, under section 22 of the Agricultural Adjustment Act of 1933, re-enacted by the Agricultural Marketing Agreements Act of 1937, of the need to impose fees or quantitative limitations on any article or articles that may be imported, to ensure that such article or articles that may be imported do not render ineffective the loan and purchase programs authorized under this title.

"TRANSITION REGULATIONS

"SEC. 511. (a) The Secretary may issue such regulations as the Secretary determines necessary to carry out this title, including procedures to ensure the equitable treatment of producers with wheat or feed grains under loan at such time that the marketing certificate program authorized under this title takes effect.

"(b) The procedures prescribed under subsection (a) shall offer such producers the opportunity to extend the period of such loans, forfeit the grain securing such loans, or continue to store such grain in a manner that will reduce to the Government the cost

of otherwise acquiring and storing such grain. In no case shall such procedures require producers to redeem grain held under section 110.

"USE OF THE COMMODITY CREDIT CORPORATION

"SEC. 512. The Secretary shall carry out programs provided for under this title through the Commodity Credit Corporation.

"ADMINISTRATIVE PROVISIONS

"SEC. 513. The provisions of sections 372(d), 373, 375, and 376 of the Agricultural Adjustment Act of 1938, as amended by section 452 of the Food Security Act of 1985, shall apply to the programs in effect under this title for any of the 1986 through 1990 crops of wheat or feed grains."

"TECHNICAL AMENDMENTS

"SEC. 552. (a) Effective of each of the 1986 through 1990 crops of wheat and feed grains, the Agricultural Adjustment Act of 1938 is amended by—

(1) in section 301(b)(6)—

(A) inserting "(excluding wheat and corn with respect to any crop in which a program is in effect under title V of Agricultural Act of 1949"; and (B) adding at the end thereof the following:

"(D) 'Market', in the case of wheat and feed grains of any crop for which a program is in effect under title V of the Agricultural Act of 1949, means to dispose of by voluntary or involuntary sale or exchange."

(2) inserting "or title V of the Agricultural Act of 1949" after "this Act" both places that phrase appears in section 372(d);

(3) in section 373—

(A) striking out "corn" both places that word appears in the first sentence of subsection (a) and inserting in lieu thereof "feed grains";

(B) inserting "and title V of the Agricultural Act of 1949" after "this title" in the second sentence of subsection (a); and

(C) striking out "corn, wheat" in subsection (b) and inserting in lieu thereof "feed grains", and inserting "and title V of the Agricultural Act of 1949" after "this title";

(4) in section 375(a), inserting "other feed grains" after "corn", and inserting "or title V of the Agricultural Act of 1949" after "this title"; and

(5) inserting "and title V of the Agricultural Act of 1949" after "this title" both places it appears in section 376.

"(b) Effective for each of the 1986 through 1990 crops of wheat and feed grains, section 401(c) of the Agricultural Act of 1949 (7 U.S.C. 1421(c)) is amended by inserting after the first sentence the following: "Compliance by the producer with requirements under title V, if programs under title V are in effect for a crop, shall be required as a condition of price support."

By Mr. BENNETT:

—Page 509, after line 6, insert the following:

STRATEGIC STOCKPILE AUTHORITY

SEC. 1896. Of the commodities in the Commodity Credit Corporation or otherwise under the Department of Agriculture stores, one half thereof as of January 1, 1986, shall be available for sale or barter with the proceeds to be used to furnish materials for the Strategic Stockpile without further appropriations therefor. Such sales or barter can be made within the United States or abroad and may be undertaken between the United States and other sovereign countries. To the extent that the assets of the Commodity Credit Corporation are reduced by this process, the full faith and credit of the United States shall be substituted therefor. The

Commodity Credit Corporation shall take appropriate action to protect fully the assets of the commodity credit corporation on the basis of the established value at the time of transfer of the assets for sale or barter. In such sales or barter the commodities need not be sold or bartered at a profit and no such sale or barter shall be effected which in the judgment of the Commodity Credit Corporation will seriously adversely affect production or prices in the United States or elsewhere.

H.R. 2100

By Mr. BEREUTER:

—Title 18, on page 509 following line 13 add the following new section:

DISCRETIONARY EMERGENCY RELIEF

SEC. 1896 (a) The Secretary of Agriculture shall at his discretion utilize any available authorized and appropriated funds for the following purposes in states the Secretary determines to have highly stressed agricultural economies:

(1) Mental health counseling services, including farm crisis hotlines and referrals to other state social service agencies;

(2) Programs designed to assist farmers, ranchers and other agricultural producers in farm management and record-keeping;

(3) Payments to supplement existing state agency programs which provide funds to distressed farm families for emergency utility, housing, food and child care needs;

(4) Career counseling, including vocational assessment and job training skills.

(b) The dispersal of such discretionary funds shall be pursuant to a Memorandum of Understanding between the individual state governments of the affected states and the United States Department of Agriculture.

—Title 11, on page 282 following line 18 add the following new section:

STUDY RELATING TO BRAZILIAN ETHANOL IMPORTS

SEC. 1155. The Secretary of Agriculture shall conduct a study to determine the impact that the import of Brazilian ethanol has on the domestic price of corn and other grains and the domestic ethanol refining industry. The Secretary of Agriculture shall also, in consultation with the International Trade Commission and the United States Trade Representative, determine what relief should be granted because of the interference of subsidized Brazilian ethanol with the domestic ethanol industry. Not later than 60 days after the enactment of this Act, the Secretary shall report the results of such study to the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture, Nutrition and Forestry of the Senate.

—Title 11, on page 274 after line 18 add the following new section:

STUDY TO REDUCE FOREIGN EXCHANGE RISK

SEC. 1132. The Secretary of Agriculture shall conduct a study to determine the feasibility, practicability and cost of implementing a program to reduce the risk of foreign exchange fluctuations that is incurred by the purchasers of United States agricultural exports under United States export credit promotion programs. The purpose of the study is to examine whether the GSM-102 program and all other U.S. export credit initiatives relating to agricultural exports would be enhanced by the United States assuming the foreign exchange risk of the buyer which resulted from a rise in the value of the United States dollar compared to the trade-weighted index of the dollar. The

index referred to is the "trade-weighted index" published by the Department of Commerce as a measurement of the relative buying power of the dollar compared to the currencies of nations trading with the United States. The elements of the program to be considered in this study would include the following:

(1) On the date a foreign buyer receives GSM-102 or other credit for purposes of purchasing United States agricultural products, the maximum loan repayment exchange rate would be tied to the trade-weighted value of the United States dollar on the same date.

(2) If in the future the United States dollar gains in strength, (a higher trade-weighted index), the buyer would continue to repay the loan at the lower value fixed at the time the GSM-102 credit was extended.

(3) If the United States dollar falls in value during the term of the repayment period, the foreign buyer could calculate his repayment on the lower dollar value.

(b) Not later than six months after the enactment of this Act, the Secretary shall report the results of such study to the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture, Nutrition and Forestry of the Senate.

—Title II, on page 36, line 25 strike out "two hundred million" and insert in lieu thereof "three hundred and fifty million"

—Title XIII Page 331, following line 8, insert the following new subsection:

(i) Notwithstanding any of the foregoing in this section a state may exempt itself from the provisions of this section by joint agreement of the directors of the state agencies for banking or finance and for agriculture if that state, acting pursuant to state law, has adopted or does adopt a widely accessible, computerized central filing or central information access system.

—Title 11, on page 242, after line 4, insert the following new section: "Title II of Public Law 480—Minimum Allocation of Donated Cargoes through the Great Lakes.

SEC. . Effective October 1, 1985, title II of the Agriculture Trade Development and Assistance Act of 1954 (7 U.S.C. 1721-1726) is amended by adding at the end thereof the following: "Not less than 33 per centum of the agricultural commodities made available for distribution in each calendar year under this title shall be shipped out of the Great Lakes ports."

—Page 275, lines 6 through 11, amend section 1141 to read as follows:

LIMITATION ON REQUIREMENTS

SEC. 1141. Section 5 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c) is amended by adding at the end thereof the following: "Export activities of the Corporation under this Act and activities of the Corporation or the Department of Agriculture to promote the export of agricultural commodities under any other Act shall not be subject to cargo preference requirements."

—Title 11, on page 274 following line 18 add the following new section:

STUDY TO REDUCE BRAZILIAN SOYBEAN PRODUCT EXPORTS AND EXCHANGE PER CAPITA BRAZILIAN FOOD CONSUMPTION

SEC. 1132. (a) The Secretary of Agriculture shall conduct a study to determine the feasibility, practicability and cost of implementing a program in agreement with the government of Brazil designed to concomitantly reduce the level of Brazilian soybean product exports and enhance the per

capita Brazilian food consumption. Such program would contain the following:

(1) If the Brazilian government will agree to reduce its exports of soybeans and soybean products by two million metric tons below its average export volume over the last three marketing years (while maintaining its soybean production at the same level during the three year period), the United States will transfer to Brazil out of surplus C.C.C. stocks an amount of wheat equivalent to the value of the soybeans and products held off the world market.

(2) In return, Brazil would have to agree to use the soybeans and products domestically to increase the food supply to its people. The commodities withheld from the export market could not be used for the production of chicken or pork which might later be exported, nor could Brazil reduce its soybean production and use the land to increase the production of other crops.

(3) Brazil would in addition agree to use the wheat received from the United States for domestic consumption only.

(4) Any agreement between the United States and Brazil would be valid for three marketing years unless terminated by mutual agreement by both Brazil and the United States.

(b) Not later than six months after the enactment of this Act, the Secretary shall report the results of such study to the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture, Nutrition and Forestry of the Senate.

—Page 275, after line 11, insert the following new section:

LIMITATION ON OCEAN FREIGHT DIFFERENTIAL

SEC. 1141. Notwithstanding any other provision of law, the cargo preference laws shall not apply to the export of agricultural commodities arranged by or through the Commodity Credit Corporation under the authority of section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(f)), or any other law, with respect to any United States shipping company which has received in the current year \$250,000 in ocean freight differentials.

—Page 275, after line 11, insert the following new section:

LIMITATION ON OCEAN FREIGHT DIFFERENTIAL

SEC. 1141. Notwithstanding any other provision of law, the cargo preference laws shall not apply to the export of agricultural commodities arranged by or through the Commodity Credit Corporation under the authority of section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(f)), or any other law, if such exports are transported in United States-flag vessels which are more than 15 years old.

—Page 275, after line 11, insert the following new section:

LIMITATION ON OCEAN FREIGHT DIFFERENTIAL

SEC. 1141. Notwithstanding any other provision of law, the cargo preference laws shall not apply to the export of agricultural commodities arranged by or through the Commodity Credit Corporation under the authority of section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(f)), or any other law, to the extent that ocean freight charges for such exports are more than \$10 per metric ton higher (than would otherwise be the case) by reason of a requirement that the commodities be transported in United States-flag vessels.

—Page 275, after line 11, insert the following new section:

TRANSFER OF RESPONSIBILITIES

SEC. 1142. (a) Section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(f)) is amended to read as follows:

"(f) Export or cause to be exported, or aid in the development of foreign markets for, agricultural commodities; except that no funds or assets of the Corporation may be used to pay for, or otherwise finance, the ocean freight charges for any such export to the extent that such charges are higher than would otherwise be the case by reason of a requirement that the commodity be transported in United States-flag vessels."

(b) Notwithstanding any other provision of law, the Maritime Administration shall pay the ocean freight charges for the export of agricultural commodities arranged by or through the Commodity Credit Corporation under the authority of section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(f)), or other law, to the extent that such charges are higher (than would otherwise be the case) by reason of a requirement that the commodities be transported in United States-flag vessels. There are authorized to be appropriated to the Department of Commerce, for each fiscal year after fiscal year 1985, such sums as may be necessary to pay the ocean freight charges paid in accordance with the preceding sentence by the Maritime Administration during such year.

—Page 275, after line 11, insert the following new section:

TRANSFER OF RESPONSIBILITIES

SEC. 1142. (a) Section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(f)) is amended to read as follows:

"(f) Export or cause to be exported, or aid in the development of foreign markets for, agricultural commodities; except that no funds or assets of the Corporation may be used to pay for, or otherwise finance, the ocean freight charges for any such export to the extent that such charges are higher than would otherwise be the case by reason of a requirement that the commodity be transported in United States-flag vessels."

(b) Notwithstanding any other provision of law, the Department of Defense shall pay the ocean freight charges for the export of agricultural commodities arranged by or through the Commodity Credit Corporation under the authority of section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(f)), or other law, to the extent that such charges are higher (than would otherwise be the case) by reason of a requirement that the commodities be transported in United States-flag vessels. There are authorized to be appropriated to the Department of Defense, for each fiscal year after fiscal year 1985, such sums as may be necessary to pay the ocean freight charges paid in accordance with the preceding sentence by the Department of Defense during such year.

—Page 275, after line 11, insert the following new section:

LIMITATION ON OCEAN FREIGHT DIFFERENTIAL

SEC. 1141. Notwithstanding any other provision of law, the cargo preference laws shall not apply to the export of agricultural commodities arranged by or through the Commodity Credit Corporation under the authority of section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(f)), or any other law, to the extent that ocean freight charges for such exports are more than 25 percent higher (than would

otherwise be the case) by reason of a requirement that the commodities be transported in United States-flag vessels.

By Mr. BOULTER:

—Page 75, line 9, strike out "July 1" and insert in lieu thereof "May 1".

Page 77, line 24, strike out "July 1" and insert in lieu thereof "May 1".

Page 79, line 6, strike out "July 1" and insert in lieu thereof "May 1".

—Page 195, line 20, strike out "July 1" and insert in lieu thereof "May 1".

By Mr. BROWN of Colorado:

—Page 115, line 23, insert "or may be sold as feed to producers of livestock, pork, or poultry" before the period.

Page 120, line 23, insert "or may be sold as feed to producers of livestock, pork, or poultry" before the period.

—Page 213, line 4, insert "(including any producer approved program under title V of this Act)" after "programs".

By Mr. BRUCE:

—On page 332, after line 21, insert the following:

"FMHA LOAN APPEAL STUDY"

"Sec. 1317. (a)(1) The Secretary of Agriculture shall conduct a study concerning the administrative appeals procedure used under the farm loan programs of the Farmers Home Administration.

"(2) In conducting such study, the Secretary shall examine—

"(A) the number and type of appeals initiated by loan applicants and borrowers;

"(B) the extent to which initial administrative actions are reversed on appeal;

"(C) the reasons that administrative actions are reversed, modified, or sustained on appeal;

"(D) the number and disposition of appeals in which the loan applicant or borrower is represented by legal counsel;

"(E) the quantity of time required to complete action on appeals and the reasons for delays;

"(F) the feasibility of the use of administrative law judges in the appeals process; and

"(G) the desirability of electing members of county committees established under section 332 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1982).

"(b) Not later than September 1, 1986, the Secretary shall submit a report describing the results of the study required under this section to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate."

By Mr. COLEMAN of Missouri:

—Page 110, strike out line 1, and all that follows thereafter through page 124, line 14, and insert in lieu thereof the following:

TITLE VA—PRODUCER-APPROVED WHEAT, FEED GRAIN, AND SOYBEAN PROGRAMS

REFERENDA, PRODUCTION ACREAGES, AND MINIMUM LOAN RATES FOR THE 1986 THROUGH 1990 CROPS OF WHEAT, FEED GRAINS, AND SOYBEANS

SEC. 551. Effective only for the 1986 through 1990 crops, the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended by adding at the end thereof a new title V as follows:

"TITLE V—REFERENDA, PRODUCTION ACREAGES, AND MINIMUM LOAN RATES FOR THE 1986 THROUGH 1990 CROPS OF WHEAT, FEED GRAINS, AND SOYBEANS"

"WHEAT, FEED GRAIN, AND SOYBEAN REFERENDA"

"Sec. 501. (a) The Secretary shall conduct a referendum by secret ballot of wheat, feed grain, and soybean producers every two years to determine whether they favor or oppose the national farm acreage payment program under this title. In the case of the 1986 and 1987 crops, the referendum shall be conducted as soon as practicable after enactment of the Food Security Act of 1985, but not later than February 1, 1986. For the 1988 and 1989 crops, the referendum shall be conducted not later than July 1, 1987, and for the 1990 crop year not later than July 1, 1989.

"(b) Any producer on a farm with a wheat, feed grain, or soybean crop acreage base of fifteen or more acres for the then current crop, as determined under title VI, shall be eligible to vote in a referendum. For the purposes of this section, the term 'producer' shall include any person who is entitled to share in a crop of the commodity, or the proceeds thereof, because the person shares in the risks of production of the crop as an owner, landlord, tenant, or sharecropper. A landlord whose return from the crop is fixed regardless of the amount of the crop produced shall not be considered a producer.

"(c) The Secretary shall proclaim the results of any referendum held hereunder within fifteen days after the date of such referendum, and if the Secretary determines that two-thirds or more of the producers of wheat, feed grains, and soybeans (including 50 per centum or more of the producers of each of the following commodities: wheat, feed grains, and soybeans) voting in the referendum in favor of the implementation of a national farm acreage payment program, the Secretary shall proclaim that a national farm acreage payment program will be in effect for the crops of wheat, feed grains, and soybeans produced for harvest in—

"(1) with respect to the referendum held not later than February 1, 1986, the 1986 and 1987 crops of wheat, feed grains, and soybeans;

"(2) with respect to the referendum held not later than July 1, 1987, the 1988 and 1989 crops of wheat, feed grains, and soybeans; and

"(3) with respect to the referendum held not later than July 1, 1989, the 1990 crops of wheat, feed grains, and soybeans.

"(d) In the event that a national farm acreage payment program is approved for the 1986 crops of wheat, feed grains, and soybeans, the Secretary shall provide fair and equitable compensation to producers who planted a crop in excess of their farm program acreage prior to the proclamation by the Secretary that the program will be in effect with respect to that crop. Such compensation shall cover, at a minimum, the costs incurred by the producer for planting such crop, as determined by the Secretary.

"(e) If a national farm acreage payment program is not approved by producers in a referendum conducted under this section with respect to any crop of wheat, feed grains, or soybeans, in lieu of a national farm acreage payment program for that crop, the Secretary shall provide such loans, purchases, payments, and other assistance to producers of wheat, feed grains, and soybeans as provided for elsewhere in this Act.

"PAYMENTS TO PRODUCERS"

"SEC. 502. (a) The Secretary shall make available to producers payments for each of the 1986 through 1990 crops of wheat, feed grains, and soybeans in an amount as provided in this subsection. Payments for any farm shall be computed by multiplying (1) the payment rate, by (2) the smaller of (A) the number of acres in the farm acreage base for the farm or (B) 2,000 acres.

"(b) The payment rate shall be—

"(1) for the 1986 crops of wheat, feed grains, soybeans, \$50; and

"(2) for the 1987 through 1990 crops of such commodities, not less than 90 percent of the previous year's rate and not more than the 1986 rate.

"(c)(1) The Secretary shall make payments under this section during the calendar year corresponding to the crop year for which such payment is made, taking into account market conditions, the availability of credit to producers, and the need of producers for enhanced cash flow. In no event shall payments under this section be made later than October 1 of such calendar year.

"(2) The Secretary may adjust the payment rate under subsection (b) between commodities, taking into account such factors as the relationship between the historical price levels of such commodities.

"(d) As a condition of eligibility for loans and payments under this title—

"(1) the producers on a farm shall limit the number of acres planted to wheat, feed grains, and soybeans during a crop year on such farm to the number of acres that is equal to the farm acreage base for such farm for the 1986 crop year; and

"(2) the producers on a farm shall participate in any acreage limitation program—

"(A) in the case of wheat, announced under section 107D(e)(1), except that for the 1986 crop of wheat acreage on a farm planted to wheat for harvest will be limited to the wheat crop acreage base for the farm for the crop reduced by a total of 20 percent and thereafter shall be subject to the discretion of the Secretary;

"(B) in the case of feed grains announced under section 103(i)(4)(A), except that for the 1986 crop of feed grains acreage on a farm planted to feed grains for harvest will be limited to the feed grain crop acreage base for the farm for the crop reduced by a total of 10 percent and thereafter shall be subject to the discretion of the Secretary; or

"(C) in the case of soybeans, a program which the Secretary may establish comparable to the program announced for wheat under section 107D(e)(1) of this Act, except that the reduction in the soybean acreage base shall be subject to the discretion of the Secretary.

"(e) If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"LOANS TO PRODUCERS"

"SEC. 503. The Secretary shall make available to producers loans for each of the 1986

through 1990 crops of wheat, feed grains, and soybeans at a level, for each such crop of such commodity, equal to—

"(1) in the case of the 1986 and 1987 crops, 75 per centum of the simple average price received by farmers for such commodity for each of the preceding five marketing years, excluding the high and low valued years, and

"(2) in the case of the 1988 through 1990 crops, 70 per centum of the simple average price received by farmers for such commodity for each of the preceding five marketing years, excluding the high and low valued years.

The Secretary shall make a preliminary announcement of the level of price support not earlier than thirty days in advance of the beginning of the marketing year for which such level applies based upon the latest information and statistics available when such level of price support is announced, and shall make a final announcement of such level as soon as full information and statistics are available on prices for the five years preceding the beginning of the marketing year. In no event shall such final level of support be announced later than the first day of the second month of the marketing year for which the announcement applies; nor shall the final level of support be less than the level of support set forth in the preliminary announcement.

"MISCELLANEOUS PROVISIONS"

"(a) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this title.

"(b) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(c) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this title.

"(d) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis, and shall, to the extent practicable, ensure that owners and renters of land are treated equitably under this title."

By Mr. COLEMAN of Missouri:

—Page 113, lines 3 and 4, strike out "60 per centum" and insert in lieu thereof "two-thirds".

—Page 393, strike out line 19 and all that follows through line 4 on page 394.

—Page 110, strike out line 1, and all that follows thereafter through page 124, line 14, and insert in lieu thereof the following:

**TITLE VA—PRODUCER-APPROVED
WHEAT, FEED GRAIN, AND SOYBEAN
PROGRAMS**

**REFERENDA, PRODUCTION ACREAGES, AND MINIMUM
LOAN RATES FOR THE 1986 THROUGH
1990 CROPS OF WHEAT, FEED GRAINS, AND
SOYBEANS**

Sec. 551. Effective only for the 1986 through 1990 crops, the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended by adding at the end thereof a new title V as follows:

**"TITLE V—REFERENDA, PRODUCTION
ACREAGES, AND MINIMUM LOAN
RATES FOR THE 1986 THROUGH 1990
CROPS OF WHEAT, FEED GRAINS,
AND SOYBEANS**

"WHEAT, FEED GRAIN, AND SOYBEAN REFERENDA

"SEC. 501. (a) The Secretary shall conduct a referendum by secret ballot of wheat, feed grain, and soybean producers every two years to determine whether they favor or

oppose the national farm acreage payment program under this title. In the case of the 1986 and 1987 crops, the referendum shall be conducted as soon as practicable after enactment of the Food Security Act of 1985, but not later than February 1, 1986. For the 1988 and 1989 crops, the referendum shall be conducted not later than July 1, 1987, and for the 1990 crop year not later than July 1, 1989.

"(b) Any producer on a farm with a wheat, feed grain, or soybean crop acreage base of fifteen or more acres for the then current crop, as determined under title VI, shall be eligible to vote in a referendum. For the purposes of this section, the term 'producer' shall include any person who is entitled to share in a crop of the commodity, or the proceeds thereof, because the person shares in the risks of production of the crop as an owner, landlord, tenant, or sharecropper. A landlord whose return from the crop is fixed regardless of the amount of the crop produced shall not be considered a producer.

"(c) The Secretary shall proclaim the results of any referendum held hereunder within fifteen days after the date of such referendum, and if the Secretary determines that two-thirds or more of the producers of wheat, feed grains, and soybeans (including 50 per centum or more of the producers of each of the following commodities: wheat, feed grains, and soybeans) voting in the referendum in favor of the implementation of a national farm acreage payment program, the Secretary shall proclaim that a national farm acreage payment program will be in effect for the crops of wheat, feed grains, and soybeans produced for harvest in—

"(1) with respect to the referendum held not later than February 1, 1986, the 1986 and 1987 crops of wheat, feed grains, and soybeans;

"(2) with respect to the referendum held not later than July 1, 1987, the 1988 and 1989 crops of wheat, feed grains, and soybeans; and

"(3) with respect to the referendum held not later than July 1, 1989, the 1990 crops of wheat, feed grains, and soybeans.

"(d) In the event that a national farm acreage payment program is approved for the 1986 crops of wheat, feed grains, and soybeans, the Secretary shall provide fair and equitable compensation to producers who planted a crop in excess of their farm program acreage prior to the proclamation by the Secretary that the program will be in effect with respect to that crop. Such compensation shall cover, at a minimum, the costs incurred by the producer for planting such crop, as determined by the Secretary.

"(e) If a national farm acreage payment program is not approved by producers in a referendum conducted under this section with respect to any crop of wheat, feed grains, or soybeans, in lieu of a national farm acreage payment program for that crop, the Secretary shall provide such loans, purchases, payments, and other assistance to producers of wheat, feed grains, and soybeans as provided for elsewhere in this Act.

"PAYMENTS TO PRODUCERS"

"SEC. 502. (a) The Secretary shall make available to producers payments for each of the 1986 through 1990 crops of wheat, feed grains, and soybeans in an amount as provided in this subsection. Payments for any farm shall be computed by multiplying (1) the payment rate, by (2) the smaller of (A) the number of acres in the farm acreage base for the farm or (B) 2,000 acres.

"(b) The payment rate shall be—

"(1) for the 1986 crops of wheat, feed grains, soybeans, \$50; and

"(2) for the 1987 through 1990 crops of such commodities, not less than 95 per centum of the previous year's rate and not more than the 1986 rate.

"(c)(1) The Secretary shall make payments under this section during the calendar year corresponding to the crop year for which such payment is made, taking into account market conditions, the availability of credit to producers, and the need of producers for enhanced cash flow. In no event shall payments under this section be made later than October 1 of such calendar year.

"(2) The Secretary may adjust the payment rate under subsection (b) between commodities, taking into account such factors as the relationship between the historical price levels of such commodities.

"(d) As a condition of eligibility for loans and payments under this title—

"(1) the producers on a farm shall limit the number of acres planted to wheat, feed grains, and soybeans during a crop year on such farm to the number of acres that is equal to the farm acreage base for such farm for the 1986 crop year; and

"(2) the producers on a farm shall participate in any acreage limitation program—

"(A) in the case of wheat, announced under section 107D(e)(1), except that for the 1986 crop of wheat acreage on a farm planted to wheat for harvest will be limited to the wheat crop acreage base for the farm for the crop reduced by a total of 20 percent and thereafter shall be subject to the discretion of the Secretary;

"(B) in the case of feed grains announced under section 103(i)(4)(A), except that for the 1986 crop of feed grains acreage on a farm planted to feed grains for harvest will be limited to the feed grain crop acreage base for the farm for the crop reduced by a total of 10 percent and thereafter shall be subject to the discretion of the Secretary; or

"(C) in the case of soybeans, a program which the Secretary may establish comparable to the program announced for wheat under section 107D(e)(1) of this Act, except that the reduction in the soybean acreage base shall be subject to the discretion of the Secretary.

"(e) If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"LOANS TO PRODUCERS

"SEC. 503. The Secretary shall make available to producers loans for each of the 1986 through 1990 crops of wheat, feed grains, and soybeans at a level, for each such crop of such commodity, equal to—

"(1) in the case of the 1986 and 1987 crops, 75 per centum of the simple average price received by farmers for such commodity for each of the preceding five marketing years, excluding the high and low valued years, and

"(2) in the case of the 1988 through 1990 crops, 70 per centum of the simple average price received by farmers for such commodity for each of the preceding five marketing years, excluding the high and low valued years.

The Secretary shall make a preliminary announcement of the level of price support not earlier than thirty days in advance of the beginning of the marketing year for which such level applies based upon the latest information and statistics available when such level of price support is announced, and shall make a final announcement of such level as soon as full information and statistics are available on prices for the five years preceding the beginning of the marketing year. In no event shall such final level of support be announced later than the first day of the second month of the marketing year for which the announcement applies; nor shall the final level of support be less than the level of support set forth in the preliminary announcement.

"MISCELLANEOUS PROVISIONS

"(a) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this title.

"(b) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(c) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this title.

"(d) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis, and shall, to extent practicable, ensure that owners and renters of land are treated equitably under this title."

—Page 110, strike out line 1, and all that follows thereafter through page 124, line 14, and insert in lieu thereof the following:

TITLE VA—PRODUCER-APPROVED WHEAT, FEED GRAIN, AND SOYBEAN PROGRAMS

REFERENDA, PRODUCTION ACREAGES, AND MINIMUM LOAN RATES FOR THE 1986 THROUGH 1990 CROPS OF WHEAT, FEED GRAINS, AND SOYBEANS

SEC. 551. Effective only for the 1986 through 1990 crops, the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended by adding at the end thereof a new title V as follows:

TITLE V—REFERENDA, PRODUCTION ACREAGES, AND MINIMUM LOAN RATES FOR THE 1986 THROUGH 1990 CROPS OF WHEAT, FEED GRAINS, AND SOYBEANS

"WHEAT, FEED GRAIN, AND SOYBEAN REFERENDA

"SEC. 501. (a) The Secretary shall conduct a referendum by secret ballot of wheat, feed grain, and soybean producers every two years to determine whether they favor or oppose the national farm acreage payment program under this title. In the case of the 1986 and 1987 crops, the referendum shall be conducted as soon as practicable after enactment of the Food Security Act of 1985, but not later than February 1, 1986. For the 1988 and 1989 crops, the referendum shall be conducted not later than July 1, 1987, and for the 1990 crop year not later than July 1, 1989.

"(b) Any producer on a farm with a wheat, feed grain, or soybean crop acreage base of fifteen or more acres for the then current crop, as determined under title VI, shall be eligible to vote in a referendum. For the

purposes of this section, the term 'producer' shall include any person who is entitled to share in a crop of the commodity, or the proceeds thereof, because the person shares in the risks of production of the crop as an owner, landlord, tenant, or sharecropper. A landlord whose return from the crop is fixed regardless of the amount of the crop produced shall not be considered a producer.

"(c) The Secretary shall proclaim the results of any referendum held hereunder within fifteen days after the date of such referendum, and if the Secretary determines that two-thirds or more of the producers of wheat, feed grains, and soybeans (including 50 per centum or more of the producers of each of the following commodities: wheat, feed grains, and soybeans) voting in the referendum in favor of the implementation of a national farm acreage payment program, the Secretary shall proclaim that a national farm acreage payment program will be in effect for the crops of wheat, feed grains, and soybeans produced for harvest in—

"(1) with respect to the referendum held not later than February 1, 1986, the 1986 and 1987 crops of wheat, feed grains, and soybeans;

"(2) with respect to the referendum held not later than July 1, 1987, the 1988 and 1989 crops of wheat, feed grains, and soybeans; and

"(3) with respect to the referendum held not later than July 1, 1989, the 1990 crops of wheat, feed grains, and soybeans.

"(d) In the event that a national farm acreage payment program is approved for the 1986 crops of wheat, feed grains, and soybeans, the Secretary shall provide fair and equitable compensation to producers who planted a crop in excess of their farm program acreage prior to the proclamation by the Secretary that the program will be in effect with respect to that crop. Such compensation shall cover, at a minimum, the costs incurred by the producer for planting such crop, as determined by the Secretary.

"(e) If a national farm acreage payment program is not approved by producers in a referendum conducted under this section with respect to any crop of wheat, feed grains, or soybeans, in lieu of a national farm acreage payment program for that crop, the Secretary shall provide such loans, purchases, payments, and other assistance to producers of wheat, feed grains, and soybeans as are provided for elsewhere in this Act.

"PAYMENTS TO PRODUCERS

"SEC. 502. (a) The Secretary shall make available to producers payments for each of the 1986 through 1990 crops of wheat, feed grains, and soybeans in an amount as provided in this subsection. Payments for any farm shall be computed by multiplying (1) the payment rate, by (2) the smaller of (A) the number of acres in the farm acreage base for the farm or (B) 2,000 acres.

"(b) The payment rate shall be—

"(1) for the 1986 crops of wheat, feed grains, soybeans, \$75; and

"(2) for the 1987 through 1990 crops of such commodities, not less than 95 per centum of the previous year's rate and not more than the 1986 rate.

"(c)(1) The Secretary shall make payments under this section during the calendar year corresponding to the crop year for which such payment is made, taking into account market conditions, the availability of credit to producers, and the need of producers for enhanced cash flow. In no event

shall payments under this section be made later than October 1 of such calendar year.

"(2) The Secretary may adjust the payment rate under subsection (b) between commodities, taking into account such factors as the relationship between the historical price levels of such commodities.

"(d) As a condition of eligibility for loans and payments under this title—

"(1) the producers on a farm shall limit the number of acres planted to wheat, feed grains, and soybeans during a crop year on such farm to the number of acres that is equal to the farm acreage base for such farm for the 1986 crop year; and

"(2) the producers on a farm shall participate in any acreage limitation program—

"(A) in the case of wheat, announced under section 107D(e)(1), except that for the 1986 crop of wheat acreage on a farm planted to wheat for harvest will be limited to the wheat crop acreage base for the farm for the crop reduced by a total of 20 percent and thereafter shall be subject to the discretion of the Secretary;

"(B) in the case of feed grains announced under section 103(i)(4)(A), except that for the 1986 crop of feed grains acreage on a farm planted to feed grains for harvest will be limited to the feed grain crop acreage base for the farm for the crop reduced by a total of 10 percent and thereafter shall be subject to the discretion of the Secretary; or

"(C) in the case of soybeans, a program which the Secretary may establish comparable to the program announced for wheat under section 107D(e)(1) of this Act, except that the reduction in the soybean acreage base shall be subject to the discretion of the Secretary.

"(e) If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"LOANS TO PRODUCERS

"Sec. 503. The Secretary shall make available to producers loans for each of the 1986 through 1990 crops of wheat, feed grains, and soybeans at a level, for each such crop of such commodity, equal to—

"(1) in the case of the 1986 and 1987 crops, 75 per centum of the simple average price received by farmers for such commodity for each of the preceding five marketing years, excluding the high and low valued years, and

"(2) in the case of the 1988 through 1990 crops, 70 per centum of the simple average price received by farmers for such commodity for each of the preceding five marketing years, excluding the high and low valued years.

The Secretary shall make a preliminary announcement of the level of price support not earlier than thirty days in advance of the beginning of the marketing year for which such level applies based upon the latest information and statistics available when such level of price support is announced, and shall make a final announcement of such level as soon as full informa-

tion and statistics are available on prices for the five years preceding the beginning of the marketing year. In no event shall such final level of support be announced later than the first day of the second month of the marketing year for which the announcement applies; nor shall the final level of support be less than the level of support set forth in the preliminary announcement.

MISCELLANEOUS PROVISIONS

"(a) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this title.

"(b) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(c) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this title.

"(d) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis, and shall, to the extent practicable, ensure that owners and renters of land are treated equitably under this title."

—Page 110, strike out line 1, and all that follows thereafter through page 124, line 14, and insert in lieu thereof the following:

TITLE VA—PRODUCER-APPROVED WHEAT, FEED GRAIN, AND SOYBEAN PROGRAMS

REFERENDA, PRODUCTION ACREAGES, AND MINIMUM LOAN RATES FOR THE 1986 THROUGH 1990 CROPS OF WHEAT, FEED GRAINS, AND SOYBEANS

SEC. 551. Effective only for the 1986 through 1990 crops, the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended by adding at the end thereof a new title V as follows:

"TITLE V—REFERENDA, PRODUCTION ACREAGES, AND MINIMUM LOAN RATES FOR THE 1986 THROUGH 1990 CROPS OF WHEAT, FEED GRAINS, AND SOYBEANS

"WHEAT, FEED GRAIN, AND SOYBEAN REFERENDA

"Sec. 501. (a) The Secretary shall conduct a referendum by secret ballot of wheat, feed grain, and soybean producers every two years to determine whether they favor or oppose the national farm acreage payment program under this title. In the case of the 1986 and 1987 crops, the referendum shall be conducted as soon as practicable after enactment of the Food Security Act of 1985, but not later than February 1, 1986. For the 1988 and 1989 crops, the referendum shall be conducted not later than July 1, 1987, and for the 1990 crop year not later than July 1, 1989.

"(b) Any producer on a farm with a wheat, feed grain, or soybean crop acreage base of fifteen or more acres for the then current crop, as determined under title VI, shall be eligible to vote in a referendum. For the purposes of this section, the term 'producer' shall include any person who is entitled to share in a crop of the commodity, or the proceeds thereof, because the person shares in the risks of production of the crop as an owner, landlord, tenant, or sharecropper. A landlord whose return from the crop is fixed regardless of the amount of the crop produced shall not be considered a producer.

"(c) The Secretary shall proclaim the results of any referendum held hereunder within fifteen days after the date of such referendum, and if the Secretary determines that two-thirds or more of the producers of wheat, feed grains, and soybeans

(including 50 per centum or more of the producers of each of the following commodities: wheat, feed grains, and soybeans) voting in the referendum in favor of the implementation of a national farm acreage payment program, the Secretary shall proclaim that a national farm acreage payment program will be in effect for the crops of wheat, feed grains, and soybeans produced for harvest in—

"(1) with respect to the referendum held not later than February 1, 1986, the 1986 and 1987 crops of wheat, feed grains, and soybeans;

"(2) with respect to the referendum held not later than July 1, 1987, the 1988 and 1989 crops of wheat, feed grains, and soybeans; and

"(3) with respect to the referendum held not later than July 1, 1989, the 1990 crops of wheat, feed grains, and soybeans.

"(d) In the event that a national farm acreage payment program is approved for the 1986 crops of wheat, feed grains, and soybeans, the Secretary shall provide fair and equitable compensation to producers who planted a crop in excess of their farm program acreage prior to the proclamation by the Secretary that the program will be in effect with respect to that crop. Such compensation shall cover, at a minimum, the costs incurred by the producer for planting such crop, as determined by the Secretary.

"(e) If a national farm acreage payment program is not approved by producers in a referendum conducted under this section with respect to any crop of wheat, feed grains, or soybeans, in lieu of a national farm acreage payment program for that crop, the Secretary shall provide such loans, purchases, payments, and other assistance to producers of wheat, feed grains, and soybeans as provided for elsewhere in this Act.

"PAYMENTS TO PRODUCERS

"Sec. 502. (a) The Secretary shall make available to producers payments for each of the 1986 through 1990 crops of wheat, feed grains, and soybeans in an amount as provided in this subsection. Payments for any farm shall be computed by multiplying (1) the payment rate, by (2) the smaller of (A) the number of acres in the farm acreage base for the farm or (B) 2,000 acres.

"(b) The payment rate shall be—

"(1) for the 1986 crops of wheat, feed grains, soybeans, \$75 and

"(2) for the 1987 through 1990 crops of such commodities, not less than 90 per centum of the previous year's rate and not more than the 1986 rate.

"(c)(1) The Secretary shall make payments under this section during the calendar year corresponding to the crop year for which such payment is made, taking into account market conditions, the availability of credit to producers, and the need of producers for enhanced cash flow. In no event shall payments under this section be made later than October 1 of such calendar year.

"(2) The Secretary may adjust the payment rate under subsection (b) between commodities, taking into account such factors as the relationship between the historical price levels of such commodities.

"(d) As a condition of eligibility for loans and payments under this title—

"(1) the producers on a farm shall limit the number of acres planted to wheat, feed grains, and soybeans during a crop year on such farm to the number of acres that is equal to the farm acreage base for such farm for the 1986 crop year; and

"(2) the producers on a farm shall participate in any acreage limitation program—

"(A) in the case of wheat, announced under section 107D(e)(1), except that for the 1986 crop of wheat acreage on a farm planted to wheat for harvest will be limited to the wheat crop acreage base for farm for the crop reduced by a total of 20 percent and thereafter shall be subject to the discretion of the Secretary;

"(B) in the case of feed grains announced under section 103(i)(4)(A), except that for the 1986 crop of feed grains acreage on a farm planted to feed grains for harvest will be limited to the feed grain crop acreage base for the farm for the crop reduced by a total of 10 percent and thereafter shall be subject to the discretion of the Secretary; or

"(C) in the case of soybeans, a program which the Secretary may establish comparable to the program announced for wheat under section 107D(e)(1) of this Act, except that the reduction in the soybean acreage base shall be subject to the discretion of the Secretary.

"(e) If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"LOANS TO PRODUCERS

"Sec. 503. The Secretary shall make available to producers loans for each of the 1986 through 1990 crops of wheat, feed grains, and soybeans at a level, for each such crop of such commodity, equal to—

"(1) in the case of the 1986 and 1987 crops, 75 per centum of the simple average price received by farmers for such commodity for each of the preceding five marketing years, excluding the high and low valued years, and

"(2) in the case of the 1988 through 1990 crops, 70 per centum of the simple average price received by farmers for such commodity for each of the preceding five marketing years, excluding the high and low valued years.

The Secretary shall make a preliminary announcement of the level of price support not earlier than thirty days in advance of the beginning of the marketing year for which such level applies based upon the latest information and statistics available when such level of price support is announced, and shall make a final announcement of such level as soon as full information and statistics are available on prices for the five years preceding the beginning of the marketing year. In no event shall such final level of support be announced later than the first day of the second month of the marketing year for which the announcement applies; nor shall the final level of support be less than the level of support set forth in the preliminary announcement.

MISCELLANEOUS PROVISIONS

"(a) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this title.

"(b) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(c) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this title.

"(d) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis, and shall, to the extent practicable, ensure that owners and renters of land are treated equitably under this title."

—Page 417, strike out lines 12 and 13.

Page 417, line 14, strike out "(3)" and insert in lieu thereof "(2)".

Page 417, line 17, strike out "(4)" and insert in lieu thereof "(3)".

Page 417, line 21, strike out "(5)" and insert in lieu thereof "(4)".

By Mr. COMBEST:

—Title VIII, page 169, before the period on line 9, insert the following: "Provided, That, notwithstanding any other provision of this section, in the case of any county within the State of Texas for which a poundage allocation to such county was less than ten thousand tons for the preceding year's crop, transfers (including transfer by sale of lease) from an owner or operator of a farm from such county shall be permitted to any other owner or operator of a farm in any other county within the State."

By Mr. CONTE:

—(1) On page 70, delete line 12 through line 12 on page 71 and insert in lieu thereof the following:

"(C) The established price for wheat shall be \$4.38 per bushel for the 1986 crop; \$4.16 per bushel for the 1987 crop; \$3.96 per bushel for the 1988 crop; \$3.76 per bushel for the 1989 crop; and \$3.57 per bushel for the 1990 crop, respectively."

(2) On page 93, delete line 20 through line 20 on page 94 and insert in lieu thereof the following:

"(C) The established price for corn shall be \$3.03 per bushel for the 1986 crop; \$2.88 per bushel for the 1987 crop; \$2.73 per bushel for the 1988 crop; \$2.60 per bushel for the 1989 crop; and \$2.47 per bushel for the 1990 crop, respectively."

(3) On page 129, delete line 24 through line 20 on page 130 and insert in lieu thereof the following:

"(B) The established price for upland cotton shall be 81 cents per pound for the 1986 crop; 77 cents per pound for the 1987 crop; 73 cents per pound for the 1988 crop; 69 cents per pound for the 1989 crop; and 66 cents per pound for the 1990 crop, respectively."

(4) On page 146, delete line 6 through line 3 on page 147 and insert in lieu thereof the following:

"(C) The established price for rice shall be \$11.90 per hundredweight for the 1986 crop; \$11.31 per hundredweight for the 1987 crop; \$10.74 per hundredweight for the 1988 crop; \$10.20 per hundredweight for the 1989 crop; \$9.69 per hundredweight for the 1990 crop, respectively."

(1) On page 72, delete lines 3 through 5;

(2) On page 95, delete lines 10 through 12;

(3) On page 131, delete lines 7 through 9 and insert in lieu thereof "cured";

(4) On page 147, delete lines 12 through 15 and insert in lieu thereof "been made";

(5) On page 211, delete line 12 and insert in lieu thereof the following: "public access for recreation: Provided, That the term 'payments' shall include the difference between the original loan level and the level at

which the loan is repaid with respect to loans made in accordance with sections 107D(a)(3) and 105C(a)(3) of the Agricultural Act of 1949."

Page 211, line 12, add the following after the period: "The term 'payments' as used in this section shall include the amount by which any repayment of construction costs pursuant to Federal reclamation law (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof and supplementary thereto) is exceeded by the full cost, as defined by section 202(3)(A)-(C) of the Reclamation Reform Act of 1982 (PL 97-293, 96 Stat. 1263), less \$5,000."

(1) Section 201 of the Agriculture Act of 1949; 7 U.S.C. 1446 is amended by striking in the first sentence the word "honey."

(2) Subsection (b) of such section is hereby repealed.

By Mr. DASCHLE:

—On Page 282, after line 8, insert the following:

"SUBTITLE F—TRADE PRACTICES

"FINDINGS

"Sec. 1161. Congress finds that—

"(1) the production and marketing of agricultural commodities and products constitute one of the great basic industries of the United States, accounting for more than twenty percent of the gross national product and employing more than twenty-two million people or one-fifth of the total of private sector employment of the Nation;

"(2) the prosperity, security, general welfare, and economic progress and stability of the Nation are dependent on a productive, efficient, and profitable agricultural economy;

"(3) current unprofitable agricultural commodity production, depressed commodity prices, plummeting production asset values, massive agricultural indebtedness for which repayment ability does not exist constitute a dire economic emergency in the Nation's agricultural economy;

"(4) the equitable marketing of agricultural commodities and products in foreign commerce is essential in order for agricultural commodity producers to achieve a fair, reasonable, equitable, and adequate return on investment in production, economic stability, and profitability;

"(5) obstacles erected by foreign nations to the marketing of agricultural commodities and products in international commerce depress the price received by United States producers of such commodities impairing the purchasing power of such producers, destroying the value of agricultural assets, jeopardizing the credit structure on which such asset values are based, threatening the disruption and discontinuance of the production of agricultural commodities by such producers, increasing the net cost of commodity price support loans and payments made to such producers of commodities, all of which are contrary to the national interest.

"REPORT BY SECRETARY, TRADE PRACTICES

"Sec. 1162. Within 60 days after the date of enactment of this Act and within 30 days after the first day of each of the fiscal years 1987 through 1990, the Secretary of Agriculture shall submit to the President and Congress a report that describes in detail—

(1) any tariff, import restriction, non-tariff barrier, or any similar trade practice or program, and

(2) any export subsidy, export restitution payment, export incentive, export reim-

bursement, or any similar trade practice or program;

used by each foreign nation during the fiscal year preceding such report that has the effect of prohibiting, discouraging, decreasing, disadvantaging, or otherwise inhibiting or adversely affecting the exportation from the United States of agricultural commodities or products produced in the United States.

Page 434, line 3, insert "(a)" after "Sec. 1803."

Page 434, after line 23, add the following:
(b) Section 20(f) of the Federal Meat Inspection Act (21 U.S.C. 620(f)) is amended by adding at the end thereof the following:

"(g) The Secretary may prescribe terms and conditions under which cattle, sheep, swine, goats, horses, mules, and other equines that may have been administered an animal drug or antibiotic not approved for use in the United States may be imported for slaughter and human consumption. If the Secretary determines that the use of an animal drug or antibiotic in any of such livestock is harmful to the health of man and that it is impossible to determine the livestock being imported do not harbor any residue of such animal drug or antibiotic, the Secretary may issue an order forbidding the entry into the United States of such kind of livestock from any country that allows the use of such animal drug or antibiotic in the production of such livestock in such country. No person shall enter cattle, sheep, swine, goats, horses, mules, and other equines into the United States in violation of any order issued under this subsection by the Secretary."

By Mr. DE LA GARZA.

—Page 2, strike out line 3 through line 4 and insert in lieu thereof the following:

SHORT TITLE

SECTION 1. This Act may be cited as the "Food Security Act of 1985".

Page 2, in the matter following line 7:

After the heading "Table of Contents" but before the item "TITLE I—SUGAR" insert the following:

Sec. 1. Short title.

Sec. 2. Table of contents.

Strike out "Sec. 1. Sugar price support." and insert in lieu thereof: "Sec. 101. Sugar price support."

In the item relating to subtitle A of title II, strike out "and Research".

On page 3:

In the item relating to section 301, strike out "Price Support Program" and insert "price support program" in lieu thereof.

In the item relating to section 401, strike out "1989" and insert "1990" in lieu thereof.

In the item relating to section 501, strike out "1989" and insert "1990" in lieu thereof.

In the item relating to section 601, strike out "1989" and insert "1990" in lieu thereof.

In the item relating to section 701, strike out "1989" and insert "1990" in lieu thereof.

Page 3, in the item relating to title V-A, strike out "VA" and insert "V-A" in lieu thereof.

Page 4, in the item relating to section 1022, strike out "Producer Reserve Program" and insert "Producer reserve program" in lieu thereof.

Page 5, in the time relating to section 1141, strike out "Limitation on requirements." and insert "Effect on other laws." in lieu thereof.

Page 10, after the item relating to section 1908, insert the following:

TITLE XX—NATIONAL AQUACULTURE IMPROVEMENTS ACT OF 1985

Sec. 2001. Short title.

Sec. 2002. Findings, purpose, and policy.

Sec. 2003. Definitions.

Sec. 2004. National Aquaculture Development Plan.

Sec. 2005. Functions and Powers of Secretaries.

Sec. 2006. Coordination of national activities regarding aquaculture.

Sec. 2007. Authorization of appropriations.

Page 10, line 3, strike out "SECTION 1." and insert "Sec. 101" in lieu thereof.

Page 12, line 10, strike out "Effective October 1, 1985, section" and insert in lieu thereof "Section".

Page 12, line 17, strike out "fiscal years 1986 through 1990" and insert in lieu thereof "period beginning on the date of the enactment of the Dairy Unity Act of 1985 and ending on September 30, 1990".

Page 12, line 20, strike out "such fiscal years" and insert in lieu thereof "the fiscal years 1987 through 1990 (or on the date of the enactment of the Dairy Unity Act of 1985 in the case of fiscal year 1986)".

Page 12, line 24, insert "(or in the case of fiscal year 1986, throughout the period beginning on the date of the enactment of the Dairy Unity Act of 1985 and ending on September 30, 1986)" before the period.

Page 16, line 5, strike out "fiscal years 1986 through 1990" and insert in lieu thereof "calendar years 1986 through 1989 (or the first nine months of 1990)".

Page 16, line 9, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period involved".

Page 16, line 13, strike out "fiscal year" and insert in lieu thereof "calendar year (or the first nine months of 1990)".

Page 17, line 3, strike out "fiscal year" and insert in lieu thereof "calendar year (or the first nine months of 1990)".

Page 17, line 7, insert "or three-fourths of such amount in the case of the first nine months of 1990," after "use,".

Page 17, line 11, strike out "fiscal year" and insert in lieu thereof "calendar year (or the first nine months of 1990)".

Page 17, line 13, strike out "fiscal" and insert in lieu thereof "calendar".

Page 18, line 6, strike out "fiscal year" and insert in lieu thereof "calendar year (or the first nine months of 1990)".

Page 18, line 8, strike out "fiscal year" and insert in lieu thereof "period involved".

Page 18, line 11, strike out "fiscal year" and insert in lieu thereof "period".

Page 18, line 13, strike out "fiscal year" and insert in lieu thereof "calendar year (or the first nine months of 1990)".

Page 18, line 18, insert "or three-fourths of such amount in the case of the first nine months of 1990," after "use,".

Page 18, line 20, strike out "fiscal year" and insert in lieu thereof "period involved".

Page 18, line 24, insert "or three-fourths of such amount in the case of the first nine months of 1990," before the semicolon.

Page 19, line 3, strike out "fiscal year" and insert in lieu thereof "period involved".

Page 19, line 12, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period".

Page 20, line 4, strike out "Effective October 1, 1985, paragraph" and insert in lieu thereof "Paragraph".

Page 20, line 10, strike out "(7)(A)(i)(I)" and insert in lieu thereof "(A)(i)(I)".

Page 20, beginning on line 10, strike out "fiscal year 1986 through 1990" and insert

in lieu thereof "calendar years 1986 through 1989 (or the first nine months of 1990)".

Page 20, line 15, insert "or three-fourths of such amount in the case of the first nine months of 1990," after "(milk equivalent)".

Page 20, line 17, insert "or three-fourths of such amount in the case of the first nine months of 1990" before the comma.

Page 20, line 19, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period".

Page 20, beginning on line 20, strike out "fiscal years 1986 through 1990" and insert in lieu thereof "calendar years 1986 through 1989 (or the first nine months of 1990)".

Page 20, line 25, insert "or three-fourths of such amount in the case of the first nine months of 1990," after "(milk equivalent)".

Page 20, line 30, strike out "(7)(A)(i)(I)" and insert in lieu thereof "(A)(i)(I)".

Page 21, beginning on line 1, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period, as the case may be".

Page 21, line 5, strike out "a fiscal year" and insert in lieu thereof "the period involved".

Page 21, line 9, strike out "such fiscal" and insert in lieu thereof "respective calendar".

Page 21, line 21, strike out "fiscal" and insert in lieu thereof "calendar".

Page 21, line 22, strike out "fiscal" and insert in lieu thereof "calendar".

Page 21, line 25, strike out "fiscal" and insert in lieu thereof "calendar".

Page 22, line 3, strike out "fiscal" and insert in lieu thereof "calendar".

Page 22, line 4, strike out "August 1 preceding any fiscal year" and insert in lieu thereof "November 1 preceding any calendar year or nine-month period".

Page 22, line 6, strike out "August" and insert in lieu thereof "November".

Page 22, line 7, strike out "fiscal" and insert in lieu thereof "calendar".

Page 20, line 13, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period".

Page 22, line 14, strike out "the year" and insert in lieu thereof "such calendar year or nine-month period".

Page 22, line 15, strike out "fiscal" and insert in lieu thereof "calendar".

Page 22, line 16, strike out "fiscal" and insert in lieu thereof "calendar".

Page 22, beginning on line 19, strike out "fiscal year (or for fiscal)" and insert in lieu thereof "calendar year or nine-month period (or for calendar)".

Page 22, line 21, strike out "fiscal" and insert in lieu thereof "calendar".

Page 23, line 7, strike out "fiscal year" and insert in lieu thereof "such calendar year or nine-month period".

Page 23, line 10 insert "or three-fourths of such amount in the case of the first nine months of 1990" after "(milk equivalent)".

Page 23, beginning on line 12, beginning on line 20, strike out "fiscal years 1986 through 1990" and insert in lieu thereof "calendar years 1986 through 1989 (or the first nine months of 1990)".

Page 23, beginning on line 15, strike out "August 1 preceding any fiscal year" and insert in lieu thereof "November 1 preceding any calendar year or nine-month period".

Page 23, line 18, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period".

Page 23, beginning on line 22, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period".

Page 23, line 21, after "period" insert a period.

Page 24, beginning on line 16, strike out "fiscal years 1986 through 1990" and insert in lieu thereof "calendar years 1986 through 1989 (or the first nine months of 1990)".

Page 24, beginning on line 19, strike out "August 1 preceding such fiscal year" and insert in lieu thereof "November 1 preceding such calendar year or nine-month period".

Page 24, line 24, strike out "November 1 of such fiscal year" and insert in lieu thereof "February 1 of such calendar year or nine-month period".

Page 25, line 8, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period".

Page 25, line 11, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period".

Page 25, line 20, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period".

Page 25, beginning on line 22, strike out "fiscal year in the months of October, November, December, January, February, and September" and insert in lieu thereof "calendar year in the months of January, February, September, October, November, and December (or in such nine-month period in the months of January, February, and September)".

Page 26, line 2, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period".

Page 26, line 14, strike out "and".

Page 26, after line 14, insert the following: (C) in subclause (I), as so redesignated, inserting the following before the semicolon at the end thereof: "(or not less than 5 per centum, and not more than 30 per centum, of three-fourths of such quantity in the case of milk marketed in the first nine months of 1990)".

Page 26, line 15, strike out "(C)" and insert in lieu thereof "(D)".

Page 26, beginning on line 19, strike out "August 1 immediately preceding the fiscal year" and insert in lieu thereof "November 1 immediately preceding the period".

Page 26, line 22, strike out "fiscal year" and insert in lieu thereof "period".

Page 26, beginning on line 23, strike out "August 1, 1985, and ending on September 30," and insert in lieu thereof "November 1, 1985, and ending on December 31,".

Page 26, line 25, strike out "fiscal" and insert in lieu thereof "calendar".

Page 26, line 14, strike out "and".

Page 28, line 20, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period".

Page 28, line 24, strike out "and".

Page 28, after line 24, insert the following: (iii) inserting after "marketing history period" the first place it appears the following: "(but 30 per centum of three-fourths of such quantity in the case of milk marketed in the first nine months of 1990)".

Page 28, line 22, strike out the semicolon.

Page 29, line 1, strike out "(iii)" and insert in lieu thereof "(iv)".

Page 29, line 3, insert "and" at the end thereof.

Page 29, after line 3, insert the following: (v) inserting the following before the semicolon at the end of subclause (II): "(or 3 per centum of three-fourths of such quantity in the case of milk marketed in the first nine months of 1990)".

Page 29, line 7, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period".

Page 29, line 8, strike out "and".

Page 29, after line 8, insert the following: (ii) inserting the following after "marketing history period" the first place it appears: "(but 5 per centum of three-fourths of such quantity in the case of milk marketed in the first nine months of 1990)".

Page 29, line 9, strike out "(ii)" and insert in lieu thereof "(iii)".

Page 29, after line 11, insert the following: (iv) inserting the following before the semicolon at the end of subclause (II): "(or 3 per centum of three-fourths of such quantity in the case of milk marketed in the first nine months of 1990)". and

Page 29, line 16, strike out "October 1 of the fiscal year" and insert in lieu thereof "January 1 of the period".

Page 29, line 17, strike out "October 1, 1985" and insert in lieu thereof "January 1, 1986".

Page 29, line 19, strike out "fiscal" and insert in lieu thereof "calendar".

Page 29, beginning on line 23, strike out "November 1 of a fiscal year (or November 1, 1985)" and insert in lieu thereof "February 1 of a calendar year (or February 1, 1986)".

Page 29, line 25, strike out "fiscal" and insert in lieu thereof "calendar".

Page 30, beginning on line 4, strike out "fiscal year (or for fiscal)" and insert in lieu thereof "calendar year or the nine-month period of 1990 (or for calendar)".

Page 30, line 6, strike out "fiscal" and insert in lieu thereof "calendar".

Page 31, line 13, strike out "December 1 of the fiscal year" and insert in lieu thereof "March 1 of the period".

Page 31, line 14, strike out "December 1, 1985," and insert in lieu thereof "March 1, 1986".

Page 31, line 15, strike out "fiscal" and insert in lieu thereof "calendar".

Page 32, beginning on line 1, strike out "June 30 immediately preceding the fiscal year" and insert in lieu thereof "September 1 immediately preceding the period".

Page 32, line 6, strike out "fiscal year preceding the fiscal year" and insert in lieu thereof "calendar year preceding the period".

Page 32, line 10, strike out "fiscal" and insert in lieu thereof "calendar".

Page 32, line 13, strike out "fiscal" and insert in lieu thereof "calendar".

Page 32, line 17, strike out "fiscal" and insert in lieu thereof "calendar".

Page 32, line 25, strike out the period at the end thereof and insert in lieu thereof a semicolon.

Page 33, beginning on line 3, strike out "October 1 of the fiscal year (or October 1, 1985)" and insert in lieu thereof "January 1 of the calendar year (or January 1, 1986)".

Page 33, line 5, strike out "fiscal" and insert in lieu thereof "calendar".

Page 33, line 8, strike out the period and insert in lieu thereof a semicolon.

Page 34, line 4, strike out "Effective October 1, 1985, paragraph" and insert in lieu thereof "Paragraph".

Page 34, line 6, strike out "section 212(1)" and insert in lieu thereof "section 211(1)".

Page 35, line 3, strike out "section 212(1)" and insert in lieu thereof "section 211(1)".

Page 35, line 18, insert "under such section" after "program".

Page 35, line 18, insert "under such section" after "program".

Page 36, line 1, strike out "fiscal" and insert in lieu thereof "calendar".

Page 36, line 2, strike out "August" and insert in lieu thereof "November".

Page 36, line 7, strike out "October 1, 1985" and insert in lieu thereof "the date of the enactment of this Act".

Page 36, line 12, strike out "fiscal year" and insert in lieu thereof "of the calendar years 1986 through 1989 (or the first nine months of 1990)".

Page 36, line 14, strike out "fiscal year" and insert in lieu thereof "period".

Page 36, line 18, insert an open parenthesis before "7 U.S.C. 612c)".

Page 36, line 25, insert "(or three-fourths of such amount in the case of the first nine months of 1990)" after "pounds".

Page 47, line 16, strike out ", on conviction,".

Page 48, line 21, strike out "fiscal" and insert in lieu thereof "calendar".

Page 48, line 25, strike out "fiscal" and insert in lieu thereof "calendar".

Page 55, line 12, after "1990" insert a comma.

Page 62, line 12, after "agency" insert a comma.

Page 75, beginning in line 12 and ending in line 13, strike out "the date of".

Page 78, line 10, strike out "the date of".

Page 89, line 21, strike out "1989" and insert "1990" in lieu thereof.

Page 91, line 10, strike out "(D)" and insert "(C)" in lieu thereof.

Page 91, line 11, strike out "(per bushel)" and insert ", per bushel," in lieu thereof.

Page 96, line 26, strike out "export" and insert "dairy policy" in lieu thereof.

Page 98, line 25, strike out "the date of".

Page 102, line 1, strike out "the date of".

Page 105, line 6, strike out "setaside" and insert "set aside" in lieu thereof.

Page 109, line 26, strike out "1989" and insert "1990" in lieu thereof.

Page 110, line 1, strike out "VA" and insert "V-A" in lieu thereof.

Page 112, line 16, strike out "year".

Page 113, line 7, after "referendum" insert "are".

Page 114, line 20, strike out ", times" and insert "times" in lieu thereof.

Page 120, line 12, strike out ", times" and insert "times" in lieu thereof.

Page 120, line 25, strike out "is" and insert "are" in lieu thereof.

Page 125, line 2, strike out "1989" and insert "1990" in lieu thereof.

Page 156, line 3, strike out "Sec. 602." and insert "Sec. 702." in lieu thereof.

Page 156, line 17, strike out "may" the second place it appears and insert "shall" in lieu thereof.

Page 158, line 20, strike out "101(i)" and insert "101(j)" in lieu thereof.

Page 179, line 19, strike out "1989" and insert "1990" in lieu thereof.

Page 179, line 22, strike out the dash and insert in lieu thereof a colon.

Page 179, line 23, strike out "the" and insert in lieu thereof "The".

Page 181, line 3, strike out the semicolon and insert in lieu thereof a period.

Page 181, line 4, strike out "the" and insert in lieu thereof "The".

Page 181, line 19, strike out the semicolon and insert in lieu thereof a period.

Page 181, line 20, strike out "in" and insert in lieu thereof "In".

Page 182, line 18, strike out the semicolon and insert in lieu thereof a period.

Page 182, line 19, strike out "the" and insert in lieu thereof "The".

Page 183, line 24, strike out "notwithstanding" and insert in lieu thereof "Notwithstanding".

Page 184, line 19, strike out the semicolon and insert in lieu thereof a period.

Page 184, line 20, strike out "notwithstanding" and insert in lieu thereof "Notwithstanding".

Page 228, line 24, strike out "1024" and insert "1023" in lieu thereof.

Page 236, beginning in line 14, strike out "guilty" and all that follows through "on conviction" in line 15 and insert in lieu thereof "subject".

Page 237, beginning in line 2, strike out "deemed guilty" and all that follows through "shall be" in line 3.

Page 238, lines 19 and 20, strike out "adding at the end thereof" and insert "inserting after section 425, as added by section 1026 of this Act." in lieu thereof.

Page 277, line 25, strike out "third" and insert "other" in lieu thereof.

Page 278, line 11, strike out "America" and insert "United States" in lieu thereof.

Page 278, line 12, strike out "United States" and insert "Federal Government".

Page 279, line 15, strike out "the" before "Congress".

Page 279, line 19, strike out "utilizing" and insert "using" in lieu thereof.

Page 279, line 21, strike out "agricultural" and insert "agricultural" in lieu thereof.

Page 288, line 7, strike out "wetlands" and insert "lands" in lieu thereof.

Page 366, in the matter after line 22, strike out "alternate" and insert in lieu thereof "alternative".

Page 367, line 19, strike out "and".

Page 368, line 9, insert "; and" after the closing quotes.

Page 388, beginning on line 7, strike out "Low Income Home Energy Assistance Act" and insert in lieu thereof "Low Income Home Energy Assistance Act of 1981".

Page 390, beginning on line 1, strike out "Low Income Home Energy Assistance Act" and insert in lieu thereof "Low Income Home Energy Assistance Act of 1981".

Page 390, beginning on line 17, strike out "Low Income Home Energy Assistance Act" and insert in lieu thereof "Low Income Home Energy Assistance Act of 1981".

Page 411, line 13, strike out "and".

Page 411, beginning on line 17, strike out the dash and all that follows through "State" on line 18, and insert in lieu thereof ", but not more than 15 per centum, of a claim, asserted against the State agency".

Page 432, line 17, strike out "labelling" and insert "labeling" in lieu thereof.

Page 435, line 15, strike out "chemical" and insert "chemicals" in lieu thereof.

Page 450, line 22, strike out ", on conviction".

Page 472, beginning in line 6 and ending in line 7, strike out ", upon conviction".

Page 491, line 23, strike out "on conviction".

Page 498, line 7, strike out "on conviction".

Page 504, line 17, strike out "countries" and insert "counties" in lieu thereof.

Page 517, line 4, strike out "Title" and insert "title" in lieu thereof.

Page 517, line 8, after "hereinafter" insert "in this title".

Page 520, lines 5, 7, and 10, strike out "subparagraph" and insert "paragraph (2)" in lieu thereof.

Page 524, line 9, strike out "(as redesignated)" and insert ", as redesignated by paragraph (3)," in lieu thereof.

Page 524, lines 10 and 11, strike out the dash and "(A)" and run the two lines together.

—On page 301, strike out lines 20 through 23 and insert in lieu thereof the following:

"(e) Any authority to enter into contracts under this section, not within the authority of the Commodity Credit Corporation or the Secretary as of the date of enactment of the Food Security Act of 1985, shall be effective for any fiscal year to such extent or in such amounts as are provided in appropriation Acts."

—Page 277, line 25, strike out "third" and insert "other" in lieu thereof.

Page 278, line 11, strike out "America" and insert "United States" in lieu thereof.

Page 278, line 12, strike out "United States" and insert "Federal Government".

Page 279, line 15, strike out "the" before "Congress".

Page 279, line 19, strike out "utilizing" and insert "using" in lieu thereof.

Page 279, line 21, strike out "agricultural" and insert "agricultural" in lieu thereof.

—Page 110, line 1, strike out "VA" and insert "V-A" in lieu thereof.

Page 112, line 16, strike out "year".

Page 113, line 7, after "referendum" insert "are".

Page 114, line 20, strike out ", times" and insert "times" in lieu thereof.

Page 120, line 12, strike out ", times" and insert "times" in lieu thereof.

Page 120, line 25, strike out "is" and insert "are" in lieu thereof.

—Page 179, line 19, strike out "1989" and insert "1990" in lieu thereof.

Page 179, line 22, strike out the dash and insert in lieu thereof a colon.

Page 179, line 23, strike out "the" and insert in lieu thereof "The".

Page 181, line 3, strike out the semicolon and insert in lieu thereof a period.

Page 181, line 4, strike out "the" and insert in lieu thereof "The".

Page 181, line 19, strike out the semicolon and insert in lieu thereof a period.

Page 181, line 20, strike out "in" and insert in lieu thereof "In".

Page 182, line 18, strike out the semicolon and insert in lieu thereof a period.

Page 182, line 19, strike out "the" and insert in lieu thereof "The".

Page 183, line 24, strike out "notwithstanding" and insert in lieu thereof "Notwithstanding".

Page 184, line 19, strike out the semicolon and insert in lieu thereof a period.

Page 184, line 20, strike out "notwithstanding" and insert in lieu thereof "Notwithstanding".

—Page 12, line 10, strike out "Effective October 1, 1985, section" and insert in lieu thereof "Section".

Page 12, line 17, strike out "fiscal years 1986 through 1990" and insert in lieu thereof "period beginning on the date of the enactment of the Dairy Unity Act of 1985 and ending on September 30, 1990".

Page 12, line 20, strike out "such fiscal years" and insert in lieu thereof "fiscal years 1987 through 1990 (or on the date of the enactment of the Dairy Unity Act of 1985 in the case of fiscal years 1986)".

Page 12, line 24, insert "(or in the case of fiscal year 1986, throughout the period beginning on the date of the enactment of the Dairy Unity Act of 1985 and ending on September 30, 1986)" before the period.

Page 16, line 5, strike out "fiscal years 1986 through 1990" and insert in lieu thereof "calendar years 1986 through 1989 (or the first nine months of 1990)".

Page 16, line 9, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period involved".

Page 16, line 13, strike out "fiscal year" and insert in lieu thereof "calendar year (or the first nine months of 1990)".

Page 17, line 3, strike out "fiscal year" and insert in lieu thereof "calendar year (or the first nine months of 1990)".

Page 17, line 7, insert "or three-fourths of such amount in the case of the first nine months of 1990," after "use,".

Page 17, line 11, strike out "fiscal year" and insert in lieu thereof "calendar year (or the first nine months of 1990)".

Page 17, line 13, strike out "fiscal" and insert in lieu thereof "calendar".

Page 18, line 6, strike out "fiscal year" and insert in lieu thereof "calendar year (or the first nine months of 1990)".

Page 18, line 8, strike out "fiscal year" and insert in lieu thereof "period involved".

Page 18, line 11, strike out "fiscal year" and insert in lieu thereof "period".

Page 18, line 13, strike out "fiscal year" and insert in lieu thereof "calendar year (or the first nine months of 1990)".

Page 18, line 18, insert "or three-fourths of such amount in the case of the first nine months of 1990," after "use,".

Page 18, line 20, strike out "fiscal year" and insert in lieu thereof "period involved".

Page 18, line 24, insert ", or three-fourths of such amount in the case of the first nine months of 1990," before the semicolon.

Page 19, line 3, strike out "fiscal year" and insert in lieu thereof "period involved".

Page 19, line 12, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period".

Page 20, line 4, strike out "Effective October 1, 1985, paragraph" and insert in lieu thereof "Paragraph".

Page 20, line 10, strike out "(7)(A)(i)(I)" and insert in lieu thereof "(A)(i)(I)".

Page 20, beginning on line 10, strike out "fiscal year 1986 through 1990" and insert in lieu thereof "calendar years 1986 through 1989 (or the first nine months of 1990)".

Page 20, line 15, insert "or three-fourths of such amount in the case of the first nine months of 1990," after "(milk equivalent)".

Page 20, line 17, insert "or three-fourths of such amount in the case of the first nine months of 1990," before the comma.

Page 20, line 19, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period".

Page 20, beginning on line 20, strike out "fiscal years 1986 through 1990" and insert in lieu thereof "calendar years 1986 through 1989 (or the first nine months of 1990)".

Page 20, line 25, insert "or three-fourths of such amount in the case of the first nine months of 1990," after "(milk equivalent)".

Page 20, line 10, strike out "(7)(A)(i)(I)" and insert in lieu thereof "(A)(i)(I)".

Page 21, beginning on line 1, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period, as the case may be".

Page 21, line 5, strike out "a fiscal year" and insert in lieu thereof "the period involved".

Page 21, line 9, strike out "such fiscal" and insert in lieu thereof "the respective calendar".

Page 21, line 21, strike out "fiscal" and insert in lieu thereof "calendar".

Page 21, line 22, strike out "fiscal" and insert in lieu thereof "calendar".

Page 21, line 25, strike out "fiscal" and insert in lieu thereof "calendar".

Page 22, line 3, strike out "fiscal" and insert in lieu thereof "calendar".

Page 22, line 4, strike out "August 1 preceding any fiscal year" and insert in lieu thereof "November 1 preceding any calendar year or nine-month period".

Page 22, line 6, strike out "August" and insert in lieu thereof "November".

Page 22, line 7, strike out "fiscal" and insert in lieu thereof "calendar".

Page 20, line 13, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period".

Page 22, line 14, strike out "the year" and insert in lieu thereof "such calendar year or nine-month period".

Page 22, line 15, strike out "fiscal" and insert in lieu thereof "calendar".

Page 22, line 16, strike out "fiscal" and insert in lieu thereof "calendar".

Page 22, beginning on line 19, strike out "fiscal year (or for fiscal)" and insert in lieu thereof "calendar year or nine-month period (or for calendar)".

Page 22, line 21, strike out "fiscal" and insert in lieu thereof "calendar".

Page 23, line 7, strike out "fiscal year" and insert in lieu thereof "such calendar year or nine-month period".

Page 23, line 10, strike out "or three-fourths of such amount in the case of the first nine months of 1990" after "(milk equivalent)".

Page 23, beginning on line 12, beginning on line 20, strike out "fiscal years 1986 through 1990" and insert in lieu thereof "calendar years 1986 through 1989 (or the first nine months of 1990)".

Page 23, beginning on line 15, strike out "August 1 preceding any fiscal year" and insert in lieu thereof "November 1 preceding any calendar year or nine-month period".

Page 23, line 18, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period".

Page 23, beginning on line 22, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period".

Page 23, line 21, after "period" insert a period.

Page 24, beginning on line 16, strike out "fiscal years 1986 through 1990" and insert in lieu thereof "calendar years 1986 through 1989 (or the first nine months of 1990)".

Page 24, beginning on line 19, strike out "August 1 preceding such fiscal year" and insert in lieu thereof "November 1 preceding such calendar year or nine-month period".

Page 24, line 24, strike out "November 1 of such fiscal year" and insert in lieu thereof "February 1 of such calendar year or nine-month period".

Page 25, line 8, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period".

Page 25, line 11, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period".

Page 25, line 20, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period".

Page 25, beginning on line 22, strike out "fiscal year in the months of October, November, December, January, February, and September" and insert in lieu thereof "calendar year in the months of January, February, September, October, November, and December (or in such nine-month period in the months of January, February, and September)".

Page 26, line 2, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period".

Page 26, line 14, strike out "and".

Page 26, after line 14, insert the following: (C) in subclause (I), as so redesignated, inserting the following before the semicolon as the end thereof:

"(or not less than 5 per centum, and not more than 30 per centum, of three-fourths of such quantity in the case of milk marketed in the first nine months of 1990)";

Page 26, line 15, strike out "(C)" and insert in lieu thereof "(D)".

Page 26, beginning on line 19, strike out "August 1 immediately preceding the fiscal year" and insert in lieu thereof "November 1 immediately preceding the period".

Page 26, line 22, strike out "fiscal year" and insert in lieu thereof "period".

Page 26, beginning on line 23, strike out "August 1, 1985, and ending on September 30," and insert in lieu thereof "November 1, 1985, and ending on December 31,".

Page 26, line 25, strike out "fiscal" and insert in lieu thereof "calendar".

Page 26, line 14, strike out "and".

Page 28, line 20, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period".

Page 28, line 22, strike out "fiscal year" and insert in lieu thereof "calendar year or nine-month period".

Page 28, line 24, strike out "and".

Page 28, after line 24, insert the following: (iii) inserting after "marketing history period" the first place it appears the following: "(but 30 per centum of three-fourths of such quantity in the case of milk marketed in the first nine months of 1990)";

Page 28, line 22, strike out the semicolon.

Page 29, line 1, strike out "(iii)" and insert in lieu thereof "(iv)".

Page 29, line 3, insert "and" at the end thereof.

Page 29, after line 3, insert the following: (v) inserting the following before the semicolon at the end of subclause (II): "(or 3 per centum of three-fourths of such quantity in the case of milk marketed in the first nine months of 1990)";

Page 29, line 7, strike out "fiscal year" and insert in lieu thereof "calendar year of nine-month period".

Page 29, line 8, strike out "and".

Page 29, after line 8, insert the following: (ii) inserting the following after "marketing history period" the first place it appears: "(but 5 per centum of three-fourths of such quantity in the case of milk marketed in the first nine months of 1990)";

Page 29, line 9, strike out "(ii)" and insert in lieu thereof "(iii)".

Page 29, after line 11, insert the following: (iv) inserting the following before the semicolon at the end of subclass (II): "(or 3 per centum of three-fourths of such quantity in the case of milk marketed in the first nine months of 1990)"; and

Page 29, line 16, strike out "October 1 of the fiscal year" and insert in lieu thereof "January 1 of the period".

Page 29, line 17, strike out "October 1, 1985" and insert in lieu thereof "January 1, 1986".

Page 29, line 19, strike out "fiscal" and insert in lieu thereof "calendar".

Page 29, beginning on line 23, strike out "November 1 of a fiscal year (or November 1, 1985" and insert in lieu thereof "February 1 of a calendar year (or February 1, 1986)".

Page 29, line 25, strike out "fiscal" and insert in lieu thereof "calendar".

Page 30, beginning on line 4, strike out "fiscal year (or for fiscal)" and insert in lieu thereof "calendar year or the nine-month period of 1990 (or for calendar)".

Page 30, line 6, strike out "fiscal" and insert in lieu thereof "calendar".

Page 31, line 13, strike out "December 1 of the fiscal year" and insert in lieu thereof "March 1 of the period".

Page 31, line 14, strike out "December 1, 1985," and insert in lieu thereof "March 1, 1986".

Page 31, line 15, strike out "fiscal" and insert in lieu thereof "calendar".

Page 32, beginning on line 1, strike out "June 30 immediately preceding the fiscal year" and insert in lieu thereof "September 1 immediately preceding the period".

Page 32, line 6, strike out "fiscal year preceding the fiscal year" and insert in lieu thereof "calendar year preceding the period".

Page 32, line 10, strike out "fiscal" and insert in lieu thereof "calendar".

Page 32, line 13, strike out "fiscal" and insert in lieu thereof "calendar".

Page 32, line 17, strike out "fiscal" and insert in lieu thereof "calendar".

Page 32, line 25, strike out the period at the end thereof and insert in lieu thereof a semicolon.

Page 33, beginning on line 3, strike out "October 1 of the fiscal year (or October 1, 1985" and insert in lieu thereof "January 1 of the calendar year (or January 1, 1986)".

Page 33, line 5, strike out "fiscal" and insert in lieu thereof "calendar".

Page 33, line 8, strike out the period and insert in lieu thereof a semicolon.

Page 34, line 4, strike out "Effective October 1, 1985, paragraph" and insert in lieu thereof "Paragraph".

Page 34, line 6, strike out "section 212(1)" and insert in lieu thereof "section 211(1)".

Page 35, line 3, strike out "section 212(1)" and insert in lieu thereof "section 211(1)".

Page 35, line 18, insert "under such section" after "program".

Page 35, line 18, insert "under such section" after "program".

Page 36, line 1, strike out "fiscal" and insert in lieu thereof "calendar".

Page 36, line 2, strike out "August" and insert in lieu thereof "November".

Page 36, line 7, strike out "October 1, 1985" and insert in lieu thereof "the date of the enactment of this Act".

Page 36, line 12, strike out "fiscal year" and insert in lieu thereof "of the calendar years 1986 through 1989 (or the first nine months of 1990)".

Page 36, line 14, strike out "fiscal year" and insert in lieu thereof "period".

Page 36, line 18, insert an open parenthesis before "7 U.S.C. 612c)".

Page 36, line 25, insert "(or three-fourths of such amount in the case of the first nine months of 1990)" after "pounds".

Page 47, line 16, strike out ", on conviction,".

Page 48, line 21, strike out "fiscal" and insert in lieu thereof "calendar".

Page 48, line 25, strike out "fiscal" and insert in lieu thereof "calendar".

Page 55, line 12, after "1990" insert a comma.

Page 62, line 12, after "agency" insert a comma.

—Page 520, lines 5, 7, and 10, strike out "subparagraph" and insert "paragraph (2)" in lieu thereof.

Page 524, line 9, strike out "(as redesignated)" and insert ", as redesignated by paragraph (3)," in lieu thereof.

Page 524, lines 10 and 11, strike out the dash and "(A)" and run the two lines together.

—Page 517, line 4, strike out "Title" and insert "title" in lieu thereof.

Page 517, line 8, after "hereinafter" insert "in this title".

—Page 432, line 17, strike out "labelling" and insert "labeling" in lieu thereof.

Page 435, line 15, strike out "chemical" and insert "chemicals" in lieu thereof.

Page 450, line 22, strike out ", on conviction,".

Page 472, beginning in line 6 and ending in line 7, strike out ", upon conviction,".

Page 491, line 23, strike out "on conviction,".

Page 498, line 7, strike out "on conviction,".

Page 504, line 17, strike out "countries" and insert "counties" in lieu thereof.

—Page 366, in the matter after line 22, strike out "alternate" and insert in lieu thereof "alternative".

Page 367, line 19, strike out "and".

Page 368, line 9, insert "; and" after the closing quotes.

—Page 75, beginning in line 12 and ending in line 13, strike out "the date of".

Page 78, line 10, strike out "the date of".

—Page 125, line 2, strike out "1989" and insert "1990" in lieu thereof.

—Page 89, line 21, strike out "1989" and insert "1990" in lieu thereof.

Page 91, line 10, strike out "(D)" and insert "(C)" in lieu thereof.

Page 91, line 11, strike out "(per bushel)" and insert ", per bushel," in lieu thereof.

Page 96, line 26, strike out "export" and insert "dairy policy" in lieu thereof.

Page 98, line 25, strike out "the date of".

Page 102, line 1, strike out "the date of".

Page 105, line 6, strike out "setaside" and insert "set aside" in lieu thereof.

Page 109, line 26, strike out "1989" and insert "1990" in lieu thereof.

—Page 158, line 20, strike out "101(i)" and insert "101(j)" in lieu thereof.

Page 156, line 3, strike out "Sec. 602." and insert "Sec. 702." in lieu thereof.

Page 156, line 17, strike out "may" the second place it appears and insert "shall" in lieu thereof.

—Page 228, line 24, strike out "1024" and insert "1023" in lieu thereof.

Page 236, beginning in line 14, strike out "guilty" and all that follows through "on conviction" in line 15 and insert in lieu thereof "subject,".

Page 237, beginning in line 2, strike out "deemed guilty" and all that follows through "shall be" in line 3.

Page 238, lines 19 and 20, strike out "adding at the end thereof" and insert "inserting after section 425, as added by section 1026 of this Act," in lieu thereof.

—Page 228, line 7, strike out "wetlands" and insert "lands" in lieu thereof.

Page 10, line 3, strike out "Section 1." and insert "Sec. 101" in lieu thereof.

—Page 388, beginning on line 7, strike out "Low Income Home Energy Assistance Act" and insert in lieu thereof "Low Income Energy Assistance Act of 1981".

Page 390, beginning on line 1, strike out "Low Income Home Energy Assistance Act" and insert in lieu thereof "Low-Income Home Energy Assistance Act of 1981".

Page 411, line 13, strike out "and".

Page 411, beginning on line 17, strike out the dash and all that follows through "State" on line 18, and insert in lieu thereof ", but not more than 15 per centum, of a claim, asserted against the State agency".

—Page 2, strike out line 3 through line 4 and insert in lieu thereof the following:

SHORT TITLE

Section 1. This Act may be cited as the "Food Security Act of 1985".

Page 2, in the matter following line 7:

After the heading "Table of Contents" but before the item "TITLE I—SUGAR" insert the following:

Sec. 1. Short title.

Sec. 2. Table of contents.

Strike out "Sec. 1. Sugar price support.", and insert in lieu thereof: "Sec. 101. Sugar price support."

In the item relating to subtitle A of title II, strike out "and Research".

On page 3:

In the item relating to section 301, strike out "Price Support Program" and insert "price support program" in lieu thereof.

In the item relating to section 401 strike out "1989" and insert "1990" in lieu thereof.

In the item relating to section 501, strike out "1989" and insert "1990" in lieu thereof.

In the item relating to section 601, strike out "1989" and insert "1990" in lieu thereof.

In the item relating to section 701, strike out "1989" and insert "1990" in lieu thereof.

Page 3, in the item relating to title V-A, strike out "VA" and insert "V-A" in lieu thereof.

Page 4, in the item relating to section 1022, strike out "Producer Reserve Program" and insert "Producer reserve program" in lieu thereof.

Page 5, in the item relating to section 1141, strike out "Limitation on requirements." and insert "Effect on other laws." in lieu thereof.

Page 10, after the item relating to section 1908, insert the following:

TITLE XX—NATIONAL AQUACULTURE IMPROVEMENTS ACT OF 1985

Sec. 2001. Short title.

Sec. 2002. Findings, purpose, and policy.

Sec. 2003. Definitions.

Sec. 2004. National Aquaculture Development Plan

Sec. 2005. Functions and Powers of Secretaries.

Sec. 2006. Coordination of national activities regarding aquaculture.

Sec. 2007. Authorization of appropriations.

—On page 124, line 14, strike the quotation mark and the second period.

On page 124, after line 14, add a new section as follows:

"PROGRAM BASES

"Sec. 509. Notwithstanding section 605, for any crop of wheat or feed grains for which a national marketing certificate program is approved under section 503, no producer of such crop may adjust the producer's crop acreage base for the crop as provided for in section 605, and the producer's base for such crop shall be as determined under title VI without regard to section 605."

By Mr. DINGELL:

—Page 375, strike out line 5 and all that follows through line 11 on page 377 and redesignate the succeeding sections (and the cross references) accordingly.

By Mr. DORGAN of North Dakota:

—Page 70, strike out line 19 and all that follows thereafter through page 71, line 19, and insert in lieu thereof the following:

"(C) The established price for the 1988 through 1990 crops of wheat shall be \$5.25 per bushel for any portion of the crop produced on each farm that does not exceed twelve thousand bushels.

—Page 93, strike out line 24 and all that follows thereafter through page 94, line 24, and insert in lieu thereof the following:

"(C) The established price for the 1988 through 1990 crops of corn shall be \$3.56 per bushel for any portion of the crop pro-

duced on each farm that does not exceed fifteen thousand bushels.

—Page 213, line 10, strike out "\$250,000" and insert in lieu thereof "\$150,000".

—Page 323, line 26, strike out "guaranteed real estate loans, \$700,000,000" and insert in lieu thereof the following: "real estate loans, \$700,000,000, of which not more than \$650,000,000 shall be for insured loans (to the extent so provided in advance in appropriation Acts) and not less than \$50,000,000 for guaranteed loans (as so provided in such Acts);"

Page 325, strike out line 7 and all that follows through line 16.

Page 323, line 12, strike out "(a)".

—Page 509, after line 13, insert the following:

HONEY LOAN MAXIMUM

SEC. 1896. Notwithstanding any other provision of law, the Secretary of Agriculture may declare that, with respect to nonrecourse loans a person may receive for honey under a program under the Agricultural Act of 1949 for a crop year, the outstanding principal balance of such loan shall not exceed \$250,000 and that any outstanding balance exceeding that amount shall be a recourse loan in nature. The Secretary shall make rules to carry out this section and such rules shall conform as nearly as practicable to the rules made to carry out section 405(b) of the Agricultural Act of 1949. The Secretary shall not make a declaration under the first sentence of this section if the Secretary determines that the application of this section upon such declaration would have an undue ill effect on the structure of the honey industry or on agricultural interests that depend on commercial bee colonies for pollination.

—Page 263, line 14, insert "(A)" after "(1)".

Page 264, after line 2 insert the following:

(B)(i) The Secretary shall establish a pilot program to carry out, during the fiscal year ending September 30, 1986, barter and countertrade transactions which are authorized under subsection (a)(3) in which the Secretary acquires and hold strategic or other materials that the United States does not domestically produce in amounts sufficient for its requirements and for which national stockpile or reserve goals established by law are unmet.

(ii) In establishing pilot programs under this subparagraph, the Secretary shall give priority—

(I) to materials that entail less risk of loss through deterioration and have lower storage costs than the agricultural commodities they replace; and

(II) to nations with food and currency reserve shortages.

(iii) In establishing such programs, the Secretary shall consider barter and countertrade opportunities with—

(I) Zaire, for wheat and wheat flour in exchange for cobalt, tantalum minerals, germanium, zinc, copper, and diamonds;

(II) Zimbabwe for corn (and soybean oil) in exchange for chromium;

(III) Zambia for corn (and oilseeds) in exchange for cobalt;

(IV) Malaysia for rice, wheat, tobacco, cheese, and corn in exchange for rubber and oil;

(V) Brazil for wheat, corn, and non-fat dry milk in exchange for manganese ore and columbian concentrate.

(VI) Nigeria for corn and rice in exchange for oil.

(iv) The Secretary shall cooperate fully with the private sector for the consummation of the proposed barter transactions.

(C) The Secretary shall report to Congress not later than March 30, 1986 on progress in implementing pilot programs under this subparagraph. Such report shall include—

(i) a statement as to any progress in establishing any such programs with any country listed in this subparagraph; and

(ii) with respect to each such program, a description of—

(I) the agricultural commodities and strategic materials or minerals to be involved in the program; and

(II) the scope and timetable of the transaction.

By Mr. DOWNEY of New York:
—Page 10, line 3, strike out "1986" and insert in lieu thereof "1985".

Page 10, line 10, strike out "1986" and insert in lieu thereof "1985".

Page 10, line 13, strike out "1986" and insert in lieu thereof "1985".

Page 10, line 16, strike out "1986" and insert in lieu thereof "1985".

Page 10, line 17, strike out "Effective October 1," and all that follows through "sugarcane," on page 11, line 3, and insert in lieu thereof the following: "In the event of a default on a loan made for raw cane sugar in accordance with this subsection, the borrower shall bear the cost of transporting the sugar securing such loan to a refining facility designated by the Secretary. The Secretary shall support the price of domestically grown sugar beets through nonrecourse loans at such levels as the Secretary deems necessary to reflect a fair and reasonable relationship between the level of price support for sugarcane and sugar beets."

—Page 10, line 3, strike out "1986" and insert in lieu thereof "1985".

Page 10, line 10, strike out "1986" and insert in lieu thereof "1985".

Page 10, line 12, strike out "Effective October 1," and all that follows thereafter through "1990 crops," on line 17, and insert in lieu thereof the following: "The Secretary shall support the price of domestically grown sugarcane through nonrecourse loans at such level as the Secretary determines appropriate but not less than 18 cents per pound for raw cane sugar for the 1985 crop, 17 cents per pound for the 1986 crop, 16 cents per pound for the 1987 crop and 15 cents per pound for the 1988, 1989, and 1990 crops."

Page 10, line 17, strike out "1986" and insert in lieu thereof "1985".

—Page 10, strike out line 3 and all that follows thereafter through page 11, line 24, and insert in lieu thereof the following:

SEC. 101. Effective only for the 1985 through 1990 crops of sugar beets and sugarcane, section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) is amended—

(1) by striking out "honey, and milk" in the first sentence and inserting in lieu thereof "honey, milk, sugar beets, and sugarcane"; and

(2) by adding at the end thereof the following new subsection:

"(i)(1) The price of each of the annual crops of sugar beets and sugarcane shall be supported in accordance with this subsection.

"(2) The Secretary shall support the price of domestically grown sugarcane through nonrecourse loans at such level as the Secretary determines appropriate but not less than 18 cents per pound for raw cane sugar for the 1985 crop, 17 cents per pound for the

1986 crop, 16 cents per pound for the 1987 crop, and 15 cents per pound for the 1988, 1989, and 1990 crops. In the event of a default on a loan made for raw cane sugar in accordance with this subparagraph, the borrower shall bear the cost of transporting the sugar securing such loan to a refining facility designated by the Secretary.

"(3) The Secretary shall support the price of domestically grown sugar beets through nonrecourse loans at such level as the Secretary determines necessary to reflect a fair and reasonable relationship between the level of price support for sugarcane and sugar beets.

"(4) The Secretary shall announce the loan rate to be applicable during any fiscal year as far in advance of the beginning of such fiscal year as is practicable consistent with the purposes of this subsection.

"(5) Loans under this subsection during any fiscal year shall be made available not earlier than the beginning of such fiscal year and shall mature before the end of such fiscal year."

By Mr. DURBIN:
—Page 260, beginning in line 1, strike out "export subsidies" and all that follows through line 2, and insert in lieu thereof the following: "subsidies (including export subsidies, tax rebates on exports, financial assistance on preferential terms, provisions of funds to cover operating losses, assumption of costs or expenses of production, processing or distribution, differential export taxes or differential export duty exemptions, domestic consumption quotas, and other methods of furnishing or ensuring the availability of raw materials at artificially low prices) or other unfair trade practices of a foreign country that directly or indirectly benefit producers, processors, or exporters of agricultural commodities in that foreign country; and"

By Mr. EDGAR:
—On page 38, after line 11 insert the following new section (and conform the table of contents):

SEC. 217 Casein Reclassification: That (a) the article description for item 118.45 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended to read as follows: "Casein and milk protein concentrate".

(b) Subpart B of part 13 of schedule 4 of such Schedule is amended—

(1) by amending the superior heading to items 493.12, 493.14, and 493.17 to read as follows: "Mixtures in chief value of casein";

(2) by striking out item 493.12;

(3) by striking out the superior heading to items 493.14 and 493.17; and

(4) by aligning items 493.14 and 493.17 at the same indentation level as the article description for item 493.04.

SEC. 2. The amendments made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

By Mr. EMERSON:
—Page 124, after line 14 insert the following:

SECTION 22 AMENDMENT

SEC. 552. Section 22(b) of the Agricultural Adjustment Act of 1933 (7 U.S.C. 624(b)) is amended by striking out "not in excess of 50 per centum ad valorem".

—Page 112, line 7, insert "(1)" after "(a)", and after line 16, insert the following:

"(2) Before each referendum, the Secretary shall conduct a study of the effect of a national marketing certificate program on the domestic and world prices of agricultur-

al commodities and United States exports of such commodities. The Secretary shall transmit to each producer a copy of the results of such study and an announcement of the proposed conditions of the program (such as set-asides, acreage limitations, and paid diversion programs) along with the secret ballot.

—Page 282, after line 18 insert the following:

SUBTITLE F—ADMINISTRATION OF CERTAIN ASSISTANCE

AVOIDANCE OF EXPORT DISPLACEMENT

SEC. 1161. Notwithstanding any other provision of the law, no funds administered by the Agricultural Research Service, the Cooperative State Research Service, the Extension Service, the Office of International Cooperation and Development, or the Commodity Credit Corporation may be expended for the purpose of providing assistance for the production or marketing in any country of agricultural commodities which would displace imports by that country of United States agricultural commodities (or the products thereof) or which would displace exports of United States agricultural commodities (or the products thereof) to any other nation.

—In the table of contents in section 2 of the bill, after the item relating to section 1154, insert the following:

SUBTITLE F—ADMINISTRATION OF CERTAIN ASSISTANCE

SEC. 1161. Avoidance of export displacement.

—Page 381, strike out line 25 and all that follows through line 25 on page 382, and insert in lieu thereof the following:

SEC. 1503. The first sentence of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended by striking out "fifty-four" and inserting in lieu thereof "fifty".

Page 388, strike out line 1 and all that follows through line 22 on page 389, and insert in lieu thereof the following:

(2) effective October 1, 1985, inserting in clause (2) of the fourth sentence "excluding expenses paid on behalf of the household under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.)," after "by a household for shelter";

Page 389, line 23, strike out "(4)" and insert in lieu thereof "(3)".

Page 390, strike out lines 9 through 20, and insert in lieu thereof the following:

(4) effective October 1, 1985, inserting in clause (c) of the last sentence "excluding expenses paid on behalf of the household under the Low-Income Home Energy Assistance Act of 1981 (7 U.S.C. 8621 et seq.)," after "by a household for shelter".

Page 393, strike out line 2 and all that follows through line 4 on page 394, and insert in lieu thereof the following:

SEC. 1511. The first sentence of section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by inserting "and any other property, real or personal, to the extent that it is directly related to the maintenance or use of such vehicle" after "physically disabled household member".

Page 406, strike out lines 12 through 25.

Page 417, strike out lines 4 through 11.

Page 417, line 12, strike out "(2)" and insert in lieu thereof "(1)".

Page 417, line 14, strike out "(3)" and insert in lieu thereof "(2)".

Page 417, line 17, strike out "(4)" and insert in lieu thereof "(3)".

Page 417, line 21, strike out "(5)" and insert in lieu thereof "(4)".

—Page 381, strike out line 25 and all that follows through line 25 on page 382, and insert in lieu thereof the following:

SEC. 1503. The first sentence of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended by striking out "fifty-four" and inserting in lieu thereof "fifty".

—Page 388, strike out line 1 and all that follows through line 22 on page 389, and insert in lieu thereof the following:

(2) effective October 1, 1985, inserting in clause (2) of the fourth sentence "excluding expenses paid on behalf of the household under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.)," after "by a household for shelter";

Page 389, line 23, strike out "(4)" and insert in lieu thereof "(3)".

Page 390, strike out lines 9 through 20, and insert in lieu thereof the following:

(4) effective October 1, 1985, inserting in clause (c) of the last sentence "excluding expenses paid on behalf of the household under the Low-Income Home Energy Assistance Act of 1981 (7 U.S.C. 8621 et seq.)," after "by a household for shelter".

—Page 393, strike out line 2 and all that follows through line 4 on page 394, and insert in lieu thereof the following:

SEC. 1511. The first sentence of section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by inserting "and any other property, real or personal, to the extent that it is directly related to the maintenance or use of such vehicle" after "physically disabled household member".

—Page 406, strike out lines 12 through 25.

—Page 417, strike out lines 4 through 11.

Page 417, line 12, strike out "(2)" and insert in lieu thereof "(1)".

Page 417, line 14, strike out "(3)" and insert in lieu thereof "(2)".

Page 417, line 17, strike out "(4)" and insert in lieu thereof "(3)".

Page 417, line 21, strike out "(5)" and insert in lieu thereof "(4)".

—Page 417, after line 23, insert the following new section (and redesignate references and succeeding sections accordingly):

OPTIONAL NUTRITION ASSISTANCE GRANT PROGRAM

SEC. 1528. The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end thereof the following new section:

"NUTRITION ASSISTANCE GRANTS

"SEC. 21. (a) A State may, subject to the provisions of this section, elect to operate a low-income noncash nutrition assistance program in lieu of the food stamp program established under this Act. Any State which elects to operate a low-income nutrition assistance program under this section or which elects to resume operation of the food stamp program shall give preliminary notice of such election to the Secretary by April 1 of the fiscal year preceding the fiscal year in which it wishes such election to take effect or at such later time as the Secretary deems feasible.

"(b)(1) The amount of the grant each State shall be eligible to receive under this section in any fiscal year shall be equal to the sum of—

"(A) the total dollar value of all benefits issued under the food stamp program or under this section, as the case may be, by the State agency during the fiscal year preceding the fiscal year for which the grant is made, adjusted to reflect changes in food at home component of the Consumer Price Index for all Urban Consumers published by the Bureau of Labor Statistics, unemployment data for the State, and such other fac-

tors as the Secretary deems appropriate; and

"(B) 50 per centum of the administrative costs, as determined by the Secretary using procedures comparable to the procedures used to determine administrative costs for purposes of section 16(a), related to the provision of such assistance.

"(2) If the Secretary approves the plan submitted by a State under subsection (c), the Secretary shall—

"(A) pay to the State at such times and in such manner as the Secretary may determine, the amount to which the State is eligible under subsection (b)(1); or

"(B) at the request of the State, make available to the State agency, in accordance with section 7, coupons which shall be redeemable in accordance with section 10, or any combination of coupons or cash, having an aggregate value equal to such amount.

"(3) At the request of the State agency, the Secretary shall redetermine the total dollar value determined under paragraph (1)(A), to ensure that there is an accurate determination (1)(A), to ensure that there is an accurate determination under such paragraph.

"(c)(1) To be eligible to receive a grant under this section for a fiscal year, each State shall have a plan submitted at such time and in such form as prescribed by the Secretary and approved by the Secretary. Such plan shall—

"(A) designate a single State agency responsible for the administration of the nutrition assistance program under this section;

"(B) assess the food and nutrition needs of needy persons residing in the State;

"(C) describe the assistance to be provided and the persons to whom such assistance will be provided;

"(D) comply with all the program requirements prescribed by the Secretary for the purpose of assuring that assistance is provided to the most needy persons in the State and that such program provides to applicants for assistance adequate notice and fair hearings comparable to those under section 11 of this Act;

"(E) provide that, in the operation of the nutrition assistance program, there shall be no discrimination on the basis of race, sex, religious creed, national origin, or political beliefs; and

"(F) include other information as may be required by the Secretary.

"(2) The State shall make such plan available for public inspection and comment before submitting such plan to the Secretary.

"(d) Payments made under this section to the State may be expended only in the fiscal year for which such payments are distributed or in the following fiscal year.

"(e) The State agency shall keep records concerning the operation of each program carried out under this section and shall make such records available to the Secretary and the Comptroller General of the United States for examination, and for removal and copying.

"(f) If the Secretary finds that there is substantial failure by a State to comply with the requirements of this section, regulations issued pursuant to this section, or the plan approved under subsection (c), then the Secretary may take one or more of the following actions:

"(1) terminate all or part of such payments or coupons authorized by subsection (b)(2) to be made available to such State, until the Secretary is satisfied that there is

no longer failure to comply with such requirements;

"(2) withhold all or part of such payments or coupons until the Secretary is satisfied that there is no longer failure to comply with such requirements, at which time the withheld payments may be paid;

"(3) refer the matter to the Attorney General of the United States and request that the Attorney General bring an action for injunctive relief to compel compliance with such requirements; and

"(4) refer the matter to the Attorney General and request that the Attorney General bring an action to recover any payments or coupons made available to such State which were not expended or distributed in accordance with such requirements.

"(g)(1) States which receive grants under this section shall provide for—

"(A) a biennial audit, conducted in accordance with the standards of the Comptroller General, of expenditures coupons distributions for the provision of assistance under this section; and

"(B) not later than 120 days of the end of each fiscal year in which an audit is conducted, a report to the Secretary containing the findings of such audit.

States shall make the report of such audit available for public inspection.

"(2) Not later than 120 days after the end of each fiscal year, each such State shall prepare an activities report comparing actual expenditures and coupon distributions for such fiscal year for assistance under this section with the expenditures and coupon distributions for such fiscal year predicted in the plan submitted in accordance with subsection (c)(1) of this section. Such State shall make the activities report available for public inspection.

"(h) Whoever knowingly and willfully embezzles, misapplies, steals, or obtains by fraud, false statement, or forgery, any funds, assets, or property provided or financed under this section shall be fined not more than \$10,000 or imprisoned for not more than five years, or both, but if the value of the funds, assets, or property involved is not over \$200, the penalty shall be a fine of not more than \$1,000 or imprisonment for not more than one year, or both."

(b) Section 2 of the Food Stamp Act of 1977 (7 U.S.C. 2011) is amended by striking out "a food stamp program is", and inserting in lieu thereof "nutrition assistance programs are."

(c) Section 3(n) of the Food Stamp Act of 1977 (7 U.S.C. 2012(n)) is amended by inserting before the period at the end thereof "or nutrition assistance program under section 21 of this Act."

—Amend the table of contents by inserting after the item relating to section 1527 the following new item (and redesignating succeeding items accordingly):

Sec. 1528. Optional nutrition assistance grant program.

—Page 417, after line 23, insert the following new section (and redesignate references and succeeding sections accordingly):

NUTRITION ASSISTANCE GRANT PILOT PROGRAM

SEC. 1528. The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end thereof the following new section:

"NUTRITION ASSISTANCE GRANT PILOT PROGRAM

"SEC. 21. (a) For the first fiscal year beginning after the date of the enactment of the Food Security Act of 1985, the Secretary shall conduct a pilot program under which, subject to this section, selected States shall

receive grants from the Secretary to operate a low-income noncash nutrition assistance program in lieu of the food stamp program established under this Act. From among the States that request to participate in the program, the Secretary shall select 7 States to participate in the program throughout the fiscal year for which the program is conducted.

"(b)(1) The amount of the grant each participating State shall be eligible to receive under this section in the fiscal year shall be equal to the sum of—

"(A) the total dollar value of all benefits issued under the food stamp program or under this section, as the case may be, by the State agency during the fiscal year preceding the fiscal year for which the grant is made, adjusted to reflect changes in food at home component of the Consumer Price Index for all Urban Consumers published by the Bureau of Labor Statistics, unemployment data for the State, and such other factors as the Secretary deems appropriate; and

"(B) 50 per centum of the administrative costs, as determined by the Secretary using procedures comparable to the procedures used to determine administrative costs for purposes of section 16(a), related to the provision of such assistance.

"(2) If the Secretary approves the plan submitted by a State under subsection (c), the Secretary shall—

"(A) pay to the State at such times and in such manner as the Secretary may determine, the amount to which the State is eligible under subsection (b)(1); or

"(B) at the request of the State, make available to the State agency, in accordance with section 7, coupons which shall be redeemable in accordance with section 10, or any combination of coupons or cash, having an aggregate value equal to such amount.

"(3) At the request of the State agency, the Secretary shall redetermine the total dollar value determined under paragraph (1)(A), to ensure that there is an accurate determination under such paragraph.

"(c)(1) To be eligible to receive a grant under this section for the fiscal year, each State shall have a plan submitted at such time and in such form as prescribed by the Secretary and approved by the Secretary. Such plan shall—

"(A) designate a single State agency responsible for the administration of the nutrition assistance program under this section;

"(B) assess the food and nutrition needs of needy persons residing in the State;

"(C) describe the assistance to be provided and the persons to whom such assistance will be provided;

"(D) comply with all the program requirements prescribed by the Secretary for the purpose of assuring that assistance is provided to the most needy persons in the State and that such program provides to applicants for assistance adequate notice and fair hearings comparable to those required under section 11 of this Act;

"(E) provide that, in the operation of the nutrition assistance program, there shall be no discrimination on the basis of race, sex, religious creed, national origin or political beliefs; and

"(F) include other information as may be required by the Secretary.

"(2) The State shall make such plan available for public inspection and comment before submitting such plan to the Secretary.

"(d) Payments made under this section to the State may be expended only in the

fiscal year for which such payments are distributed or in the following fiscal year.

"(e) The State agency shall keep records concerning the operation of the program carried out under this section and shall make such records available to the Secretary and the Comptroller General of the United States for examination, and for removal and copying.

"(f) If the Secretary finds that there is substantial failure by a State to comply with the requirements of this section, regulations issued pursuant to this section, or the plan approved under subsection (c), then the Secretary may take one or more of the following actions:

"(1) terminate all or part of such payments or coupons authorized by subsection (b)(2) to be made available to such State, until the Secretary is satisfied that there is no longer failure to comply with such requirements;

"(2) withhold all or part of such payments or coupons until the Secretary is satisfied that there is no longer failure to comply with such requirements, at which time the withheld payments may be paid;

"(3) refer the matter to the Attorney General of the United States and request that the Attorney General bring an action for injunctive relief to compel compliance with such requirements; and

"(4) refer the matter to the Attorney General and request that the Attorney General bring an action to recover any payments or coupons made available to such State which were not expended or distributed in accordance with such requirements.

"(g)(1) States which receive grants under this section shall provide for—

"(A) an audit, conducted in accordance with the standards of the Comptroller General, of expenditures coupons distributions for the provision of assistance under this section; and

"(B) not later than 120 days of the end of the fiscal year in which an audit is conducted, a report to the Secretary containing the findings of such audit.

Such States shall make the report of such audit available for public inspection.

"(2) Not later than 120 days after the end of the fiscal year during which the pilot program is conducted, each such State shall prepare an activities report comparing actual expenditures and coupon distributions for the fiscal year for assistance under this section with the expenditures and coupon distributions for the fiscal year predicted in the plan submitted in accordance with subsection (c)(1) of this section. Such State shall make the activities report available for public inspection.

"(h) Whoever knowingly and wilfully embezzles, misapplies, steals, or obtains by fraud, false statement, or forgery, any funds, assets, or property provided or financed under this section shall be fined not more than \$10,000 or imprisoned for not more than five years, or both, but if the value of the funds, assets, or property involved is not over \$200, the penalty shall be a fine of not more than \$1,000 or imprisonment for not more than one year, or both.

"(i) Not later than 180 days after the fiscal year during which the pilot program is conducted, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that—

"(1) identifies the States that participated in the program.

"(2) contains an evaluation of the effectiveness of the low-income noncash nutrition assistance program carried out by each of such States under the pilot program; and

"(3) states the recommendations of the Secretary regarding whether a nutrition assistance grant program should be established by the Congress to allow States to elect to operate a low-income noncash nutrition assistance program in lieu of the food stamp program established under this Act."

(b) Section 3(n) of the Food Stamp Act of 1977 (7 U.S.C. 2012(n)) is amended by inserting before the period at the end thereof "or nutrition assistance grant pilot program under section 21 of this Act."

—Amend the table of contents by inserting after the item relating to section 1527 the following new item (and redesignating succeeding items accordingly):

Sec. 1528. Nutrition assistance grant pilot program.

By Mr. ENGLISH:

—On page 275, strike lines 6 through 11 and insert in lieu thereof the following:

"LIMITATION ON REQUIREMENTS"

SEC. 1141. Section 5 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c) is amended by adding at the end thereof the following: "Export activities of the Corporation under this Act and activities of the Corporation or the Department of Agriculture to promote the export of agricultural commodities under any other Act shall not be subject to cargo preference requirements, except to the extent otherwise required for exports under the Agricultural Trade Development and Assistance Act of 1954."

BY Mr. EVANS of Iowa:

—Page 275, line 7, insert an "(a)" immediately after the phrase "Sec. 1141."; and, on page 275, after line 11, insert the following new subsection:

"(b)(1) Notwithstanding any other provision of law, at least 50 per centum of the gross tonnage of edible agricultural commodities and products derived therefrom, including but not restricted to meat, and dairy products (computed separately for dry bulk carriers, dry cargo liners, and tankers), imported into the United States directly or indirectly by sea, for which a production capacity adequate to meet domestic needs exists within the United States, shall be shipped in private vessels of United States registry to the extent such vessels are available at a fair and reasonable rate for United States commercial vessels.

"(2) The provisions of this subsection may be waived whenever the Congress by concurrent resolution or otherwise, or the President of the United States declares that an emergency exists justifying the temporary waiver of the provisions of this subsection and so notifies the appropriate department, agency or agencies: Provided, That such waiver shall in no instance be of a longer duration than 6 months.

"(3) For the purposes of this subsection, the term "private vessels of United States registry" shall mean any vessel which, subsequent to the date of the enactment of this subsection, shall have been documented under the laws of the United States for a period of three years and any newly-constructed vessel, constructed within the United States, or any vessel substantially rebuilt within the United States, which has been documented and maintained under the laws of the United States for a period of three years.

"(4) The Secretary of Agriculture shall annually determine and publish in the Federal Register, on or before the first day of December in each year, a list of commodities and products derived therefrom which shall be shipped under the conditions of this subsection during the next succeeding calendar year."

—Page 282, after line 18, insert the following:

SECTION 22 AMENDMENT

SEC. 1155. Section 22(b) of the Agricultural Adjustment Act of 1933 (7 U.S.C. 624(b)) is amended by striking out "not in excess of 50 per centum ad valorem or" and inserting "and" in lieu thereof.

—Page 458, strike out lines 17 and 18, and insert in lieu thereof the following:

(1) the term "porcine animal" means a swine which is sold—

(A) at less than 100 pounds as a feeder pig;
(B) for breeding purposes as seedstock; or
(C) for slaughter no later than 30 days after sale as a market hog;

Page 460, strike out lines 23 and 24, and page 461, strike out lines 1 and 2.

Page 461, line 10, strike out "90" and insert in lieu thereof "45".

Page 462, strike out line 6 and all that follows through line 19, and insert in lieu thereof the following:

(b)(1) The initial order described in section 1825 shall provide for the establishment and appointment by the Secretary, not later than 30 days after the effective date of such order, of a National Pork Producers Delegate Body consisting of not more than 175 members. Nominations of pork producers for appointment to the Delegate Body shall be submitted by each State association. If a State association does not submit nominations, or if there is no State Association, then the Secretary may prescribe the manner in which nominations of pork producers from such State shall be made, except that if the State in question is not one of the top twenty pork-producing States in terms of the aggregate market value of porcine animals marketed from such State in the calendar year ending immediately before the appointment of the Delegate Body is to be made, such State shall not be represented on the Delegate Body for the 1986 calendar year. Nominations of importers for appointment to the Delegate Body shall be made in the manner prescribed by the Secretary.

(2) Members of the Delegate Body first appointed shall be appointed as follows:

(A) The Secretary shall assign to each State one vote for each \$400,000 (or remaining part thereof in excess of \$200,000) of the aggregate average market value of porcine animals marketed from such State during the period of three calendar years concluded immediately before the date any member of the Delegate Body is first appointed.

(B) The Secretary shall appoint to the Delegate Body two pork producers from each State.

(C) The Secretary shall also appoint—

(i)(I) one additional pork producer from such State if the number of votes assigned to such State exceeds 300 but does not exceed 600; and

(II) two additional pork producers from such State if the number of votes assigned to such State exceeds 600; and

(ii) one additional pork producer for each 300 votes (or remaining part thereof in excess of 150 votes) assigned to such State in excess of 1,000 votes.

(D) The Secretary shall assign to importers, collectively, one vote for each \$575,000

(or remaining part thereof in excess of \$287,500) of aggregate average market value of porcine animals imported into the United States during the period of three calendar years concluded immediately before the date any member of the Delegate Body is first appointed.

(E) The Secretary shall appoint to the Delegate Body—

(i) three importers; and

(ii) one additional importer for each 300 votes (or remaining part thereof in excess of 150 votes) assigned to importers in excess of 1,000 votes.

(3) After the expiration of the term of office of the Delegate Body first appointed, the members of the Delegate Body shall be appointed as follows:

(A) The Secretary shall assign to each State one vote for each \$1,000 (or remaining part thereof in excess of \$500) of the aggregate amount of assessments collected under this subtitle in such State (minus refunds under section 1831), from persons described in paragraphs (1) and (2) of subsection (g), in the calendar year ending immediately before the first appointment is made to the Delegate Body for the then successive term of office of the Delegate Body.

(B) The Secretary shall appoint to the Delegate Body two pork producers from each State.

(C) The Secretary shall appoint additional pork producers from such State to the Delegate Body in the manner specified in paragraph (2)(C).

(D) The Secretary shall assign to importers, collectively, one vote for each \$1,000 (or remaining part thereof in excess of \$500) of the aggregate amount of assessments collected under this subtitle (minus refunds under section 1831), from persons described in subsection (g)(3), in the calendar year ending immediately before the first appointment is made to the Delegate Body for the then successive term of office of the Delegate Body.

(E) The Secretary shall appoint importers to the Delegate Body in the manner specified in paragraph (2)(E).

(4) For purposes of satisfying the numerical limitation imposed by paragraph (1) on the total membership of the Delegate Body, the Secretary shall reduce pro rata the applicable number of members authorized to be appointed under subparagraphs (C) and (E) of paragraph (2) or (3), as the case may be.

(5)(A) Members of the Delegate Body shall serve for a term of one year. The term of office of members first appointed shall begin on the same day.

(B) A vacancy on the Delegate Body arising before the expiration of the term for which a member was appointed shall be filled in the same manner as the original appointment was made, except that such appointment shall be made only for the unexpired part of such term.

(6)(A) The number of members of the Delegate Body who hold a majority of the aggregate number of votes assigned under paragraph (2) or (3), as the case may be, shall constitute a quorum.

(B) Members of the Delegate Body may vote only in person.

(C) The Delegate Body may act only by the majority of votes (including fractions) cast, a quorum being present.

(D) Each pork producer from a State shall be entitled to cast a per capita share (including fractions) of the aggregate number of votes assigned under paragraph (2) or (3), as the case may be, to such State.

(E) Each importer shall be entitled to cast a per capita share (including fractions) of the aggregate number of votes assigned under paragraph (2) or (3), as the case may be, to all importers.

Page 463, line 3, strike out "pork producer".

Page 463, beginning on line 16 strike out "The Board" and all that follows through the period on line 21, and insert in lieu thereof the following:

The Board shall consist of members who are appointed as follows:

(A) One pork producer member shall be appointed from each State.

(B) One additional pork producer member shall be appointed from each State for each multiple of 11,000,000 porcine animals marketed, determined on the basis of the annual average number of porcine animals marketed in the most recent period of three calendar years occurring before the date of appointment.

(C) One importer shall be appointed.

(D) The Secretary shall appoint these persons from nominations submitted in the same fashion as nominations for members of the Delegate Body pursuant to section 1827(b)(2).

Page 467, strike out lines 5 through 9, and insert in lieu thereof the following:

(1) each producer for each porcine animal described in subparagraph (A) or (C) of section 1823(1) that is sold,

(2) each producer for each porcine described in subparagraph (B) of section 1823(1) or who produces or processes pork or pork products from that producer's own porcine animals; and

(3) each importer for each imported porcine animal, pork, or pork product;

Page 467, line 13, strike out "animals" and insert in lieu thereof "animal of the same category described in section 1823(1)(A), (B) or (C)".

Page 467, line 14, strike out "three-tenths" and insert in lieu thereof "one-fourth".

Page 468, strike out line 6 and all that follows through line 24, and insert in lieu thereof the following:

(1) From 60 percent of the aggregate amount of assessments collected under this subtitle, each State association shall receive an amount equal to the product of—

(A) the aggregate amount of assessments collected in such State (minus refunds under section 1831) from persons described in paragraphs (1) and (2) of subsection (g); and

(B) a percentage, as determined by the Delegate Body; to use for financing promotion, research, and consumer information plans or projects and for the administrative expense incurred by such association in connection with such plans and projects.

(2) The National Pork Producers Council, a non-profit corporation of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 and incorporated in the State of Iowa, shall receive the remaining amount available for distribution under paragraph (1) but not so distributed, to use for financing promotion, research, and consumer information plans or projects and for the administrative expenses incurred by the Council in connection with such plans and projects.

(3) The Committee shall receive 40 percent of the aggregate amount of assessments collected under this subtitle, to use for—

Page 472, line 21, strike out "a year," and insert in lieu thereof the following: annually, and importers who in such period have

imported annually the equivalent of at least 50 porcine animals or five metric tons of pork or pork products,

Page 472, line 25, insert "and importers" after "producers".

Page 473, line 1, insert "and importers" after "producers".

Page 473, line 18, insert "(1) Except as provided in paragraph (2)," after "(b)".

Page 473, line 20, insert "and importers" after "producers".

Page 473, line 23, insert "and importers" after "producers".

Page 473, line 24, insert "and importers" after "producers".

Page 474, line 3, insert "and importers" after "producers".

Page 474, after line 7, insert the following new paragraph:

(2) The Secretary shall not be required by paragraph (1) to conduct more than one referendum under this subtitle in any 2-year period.

Page 474, after line 10, insert the following new section (and redesignate references and succeeding sections accordingly):

REFUND

SEC. 1831. Notwithstanding any other provision of this subtitle, any person responsible for paying an assessment pursuant to section 1827(g) which becomes payable before approval of continuation of the order pursuant to the referendum required under section 1829(a) and who is not in favor of supporting the program set forth in this subtitle shall have the right to demand and receive from the Committee a refund of such assessment if such a demand shall be made in accordance with regulations and on a form and within a time period prescribed by the Committee and approved by the Secretary, but not later than 30 days after the end of the month in which the assessment was paid. Such refund shall be made not later than 30 days after demand is received therefor, upon submission of proof satisfactory to the Committee that the person paid the assessment for which the refund is sought and did not collect such assessment from another person.

By Mr. FRANK:

—Page 36, strike out line 8 and all that follows through line 9 on page 37 (and redesignate references and succeeding sections accordingly).

—Page 36, before line 3, insert the following new section (and redesignate references and succeeding sections accordingly):

EXTENSION OF MILK DIVERSION PROGRAM

SEC. 212. (a) Effective October 1, 1985, paragraph (3) of section 201(d) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)(3)) is amended by—

(1) amending subparagraph (A) to read as follows:

"(A)(i)(I) If for any of the fiscal years 1986 through 1990 the level of purchases of milk and the products of milk under this subsection (less sales under section 407 for unrestricted use), as estimated by the Secretary and adjusted in accordance with subclause (III), will exceed five billion pounds (milk equivalent) but will not exceed seven billion pounds (milk equivalent), the Secretary may establish and carry out under this paragraph a milk diversion program for such fiscal year.

"(II) If for any of the fiscal years 1986 through 1990 the level of purchases of milk and the products of milk under this subsection (less sales under section 407 for unrestricted use), as estimated by the Secretary and adjusted in accordance with subclause

(III), will exceed seven billion pounds (milk equivalent), the Secretary shall establish and carry out under this paragraph a milk diversion program for such fiscal year.

"(III) For purposes of adjusting under this clause the estimated level of purchases of milk and the products of milk for a fiscal year, the Secretary shall deduct from such level the net amount (measured in milk equivalent) of all reductions occurring during the period beginning on June 15, 1985, and ending on the first day of such fiscal year, in the quantitative limitations in effect on June 15, 1985, under section 22 of the Agricultural Adjustment Act, reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, with respect to milk and the products of milk imported into the United States. For purposes of determining the amount of such reductions, milk equivalent shall be determined on either a solids-not-fat or milkfat milk equivalent basis, whichever produces a higher milk equivalent.

"(IV) Notwithstanding any other provision of this clause, if the Secretary establishes a milk diversion program for fiscal year 1986 under this paragraph, the program so established shall be carried out for fiscal years 1986 and 1987.

"(ii) Not later than August 1 preceding any fiscal year for which a milk diversion program may or shall be so established under this paragraph (or August 1, 1985, in the case of a program carried out for fiscal years 1986 and 1987 under clause (i)(IV)) the Secretary shall publish in the Federal Register—

"(I) the estimated level of purchases of milk and products of milk under this subsection (less sales under section 407 for unrestricted use) in such fiscal year if no program is carried out during the year under this paragraph (or in each of fiscal years 1986 and 1987 in the case of a program carried out for fiscal years 1986 and 1987 under clause (i)(IV)); and

"(II) if a milk diversion program is to be established under this paragraph for such fiscal year (or for fiscal years 1986 and 1987 in the case of a program carried out for fiscal years 1986 and 1987 under clause (i)(IV)), notice of the establishment of the program and a detailed description of the nature of the program.

Any milk diversion program so established shall consist of the production termination program formulated under clause (iii). The aggregate amount of the reduction, under the milk diversion program so established, in marketings of milk in each fiscal year for which such program is in effect shall be not less than the difference between the level of purchases so estimated and 4 billion pounds (milk equivalent), unless producers decline to enter into contracts to effect such aggregate amount of reduction.

"(iii) For each of the fiscal years 1986 through 1990 for which a milk diversion program will be in effect under this paragraph, the Secretary shall formulate, not later than August 1 preceding such fiscal year, a production termination program under which the Secretary may offer, at the request of a producer of milk in the United States who submits to the Secretary a bid, to enter into a contract, at any time before November 1 of such fiscal year, with the producer for the purpose of terminating the production of milk by the producer in return for a payment to be made by the Secretary. In setting the terms and conditions of each contract made under this clause, the Secretary shall take into account any ad-

verse effect of such contract, and of all contracts made under this clause, on beef, pork, and poultry producers in the United States and shall take all feasible steps to minimize such effect.

"(iv) For any fiscal year for which a milk diversion program under this paragraph is in effect, the Secretary shall determine, before the beginning of such fiscal year, the total number of dairy cattle the Secretary estimates will be marketed for slaughter as a result of such program and shall by regulation specify marketing procedures to ensure that not more than 40 per centum of the number of such dairy cattle that the Secretary estimates will be marketed for slaughter by the producers participating in the program, in excess of the number of dairy cattle such producers would market for slaughter (based on the historical dairy cow herd culling rate) during such fiscal year in the absence of such program, will be so marketed in such fiscal year in the months of October, November, December, January, February, and September. Such procedures also shall ensure that such sales of dairy cattle for slaughter shall occur on a basis estimated by the Secretary that maintains historical marketing patterns. During such fiscal year, the Secretary shall limit the total number of dairy cattle marketed for slaughter under the program in excess of the historical dairy cow herd culling rate to no more than 7 per centum of the national dairy cow herd."

(2) by amending subparagraph (B) to read as follows:

"(B) Each contract made under the program formulated under subparagraph (A)(iii) shall provide that—

"(i) the producer shall sell for slaughter or for export all the dairy cattle in which such producer owns an interest;

"(ii) during a period of three, four, or five years specified by the Secretary and beginning on the day the producer completes compliance with subclause (i), the producer shall neither acquire any interest in the production of milk nor acquire, or make available to any person, any milk production capacity of a facility that becomes available because of compliance by any producer with such subclause; and

"(iii) if the producer fails to comply with such contract, the producer shall repay to the Secretary the entire payment received under the contract, including simple interest payable at a rate prescribed by the Secretary, which shall, to the extent practicable, reflect the cost to the Corporation of its borrowings from the Treasury of the United States, commencing on the date payment is first received under such contract."

(3) striking out subparagraphs (C), (D) and (E);

(4) in subparagraph (F)—

(A) striking out "(F)" and inserting in lieu thereof "(C)"; and

(B) striking out the second sentence and inserting in lieu thereof the following: "The marketing history, as established by the Secretary, of such producer shall be the marketings of milk by the producer for commercial use during the one-year period ending on June 30 immediately preceding the fiscal year for which the contract is sought;

(5) in subparagraph (G)—

(A) striking out "(G)" and inserting in lieu thereof "(D)"; and

(B) striking out "after December 31, 1982" and inserting in lieu thereof "in the fifteenth-month period ending on October 1 of the fiscal year (or October 1, 1985, in the

case of a program carried out for fiscal years 1986 and 1987 under subparagraph (A)(i)(IV)) for which the producer is seeking to enter into a contract for diversion payments under this paragraph."

(6) by redesignating subparagraph (H) as subparagraph (E);

(7) striking out subparagraphs (I), (J), and (K);

(8) redesignating subparagraphs (L), (M), and (N) as subparagraphs (F), (G), and (H), respectively; and

(9) by striking out subparagraph (O).

(b) Effective October 1, 1985, paragraph (5)(B) of section 201(d) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)(5)(B)) is amended by—

(1) inserting "(i)" after "(B)"; and

(2) adding at the end thereof the following:

"(ii) Each person who buys, from a producer with respect to whom there is in effect at the time of such sale a contract entered into under paragraph (3), one or more dairy cattle sold for slaughter, who knows that such cattle are sold for slaughter, and who fails to cause the slaughter of such cattle within a reasonable time after receiving such cattle shall be liable for a civil penalty of not more than \$5,000 with respect to each of such cattle."

(c) Section 201(c) of the Agricultural Act of 1949 (7 U.S.C. 1446(c)) is amended by striking out "The price" and inserting in lieu thereof "Except as provided in subsection (d), the price."

(d) Section 201(d) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)) is amended by adding at the end thereof the following:

"(7) The Secretary shall carry out this subsection through the Commodity Credit Corporation."

(e) Notwithstanding the time limitations specified in section 201(d)(3)(A)(ii) of the Agricultural Act of 1949, as added by this title, the Secretary of Agriculture—

(1) shall establish a milk diversion program, and publish the information required by such section, not later than 30 days after the date of the enactment of this Act; and

(2) shall offer to enter into contracts under such program with producers until 60 days after the date of the enactment of this Act;

if a milk diversion program is to be in effect for fiscal year 1986 and if this Act is enacted after August 1, 1985.

—Page 70, strike out line 19 and all that follows thereafter through page 71, line 19, and insert in lieu thereof the following:

"(C) The established price for wheat shall be \$4.38 per bushel for the 1986 crop; \$4.16 per bushel for the 1987 crop; \$3.96 per bushel for the 1988 crop; \$3.76 per bushel for the 1989 crop; and \$3.57 per bushel for the 1990 crop, respectively.

Page 93, strike out line 24 and all that follows thereafter through page 94, line 24, and insert in lieu thereof the following:

"(C) The established price for corn shall be \$3.03 per bushel for the 1986 crop; \$2.88 per bushel for the 1987 crop; \$2.73 per bushel for the 1988 crop; \$2.60 per bushel for the 1989 crop; and \$2.47 per bushel for the 1990 crop, respectively.

Page 129, strike out line 24 and all that follows thereafter through page 130, line 20, and insert in lieu thereof the following:

"(B) The established price for upland cotton shall be 81 cents per pound for the 1986 crop; 77 cents per pound for the 1987 crop; 73 cents per pound for the 1988 crop; 69 cents per pound for the 1989 crop; and 66

cents per pound for the 1990 crop, respectively.

Page 146, strike out line 6 and all that follows thereafter through page 147, line 3, and insert in lieu thereof the following:

"(C) The established price for rice shall be \$11.90 per hundredweight for the 1986 crop; \$11.31 per hundredweight for the 1987 crop; \$10.74 per hundredweight for the 1988 crop; \$10.20 per hundredweight for the 1989 crop; and \$9.69 per hundredweight for the 1990 crop, respectively.

—Page 72, strike out lines 9 through 11.

Page 95, strike out lines 15 through 17.

Page 131, strike out lines 7 through 9 and insert in lieu thereof "cured."

Page 147, strike out lines 12 through 15 and insert in lieu thereof "been made."

Page 211, strike out line 12 and insert in lieu thereof the following: "public access for recreation, but the term 'payments' shall include the difference between the original loan level and the level at which the loan is repaid with respect to loans made in accordance with sections 107D(a)(3) and 105C(a)(3) of the Agricultural Act of 1949."

By Mr. FRANKLIN:

—Page 110, lines 1 and 2 and lines 14 and 15, strike out "AND FEED GRAIN" and insert in lieu thereof "FEED GRAIN, COTTON, RICE, AND SOYBEAN".

Page 110, line 18, strike out "and feed grains" and insert in lieu thereof "feed grains, cotton, rice, and soybeans" after "wheat".

Page 110, line 25, strike out "and feed grains" and insert in lieu thereof "feed grains, cotton, rice, and soybeans" after "wheat".

Page 111, lines 4 and 5, insert "cotton, rice, and soybeans" after "feed grains".

Page 111, line 13, strike out "and feed grains" and insert in lieu thereof "feed grains, cotton, rice, and soybeans" after "wheat".

Page 112, line 6, strike out "WHEAT AND FEED GRAIN" and insert in lieu thereof "WHEAT, FEED GRAIN, COTTON, RICE, AND SOYBEAN".

Page 112, line 8, strike out "wheat and feed grain" and insert in lieu thereof "wheat, feed grain, cotton, rice, and soybean".

Page 112, line 17, strike out "wheat or feed grain" and insert in lieu thereof "wheat, feed grain, cotton, rice, or soybean".

Page 113, line 4, strike out "wheat and feed grains" and insert in lieu thereof "wheat, feed grain, cotton, rice, and soybean".

Page 113, strike out lines 5 and 6 and insert in lieu thereof the following: "(including 50 per centum or more of producers of each of the following crops: wheat, feed grains, cotton, rice, and soybeans)".

Page 113, lines 8 and 9, and page 114, line 8, strike out "certificate" and insert in lieu thereof "loan".

Page 113, strike out line 21, and all that follows thereafter through page 114, line 4, and on line 5 of page 114, strike out "(e)" and insert in lieu thereof "(d)".

Page 113, lines 10, 14, 16 and 17, and 19 and 20, strike out "wheat and feed grains" and insert in lieu thereof "wheat, feed grain, cotton, rice, and soybean".

Page 114, line 5, strike out "marketing certificates are" and insert in lieu thereof "a marketing loan program is".

Page 114, line 7, strike out "wheat or feed grains" and insert in lieu thereof "wheat, feed grain, cotton, rice, and soybean".

Page 114, line 8, strike out "certificate" and insert in lieu thereof "loan".

Page 114, line 10, strike out "wheat and feed grains" and insert in lieu thereof "wheat, feed grain, cotton, rice, and soybean".

Page 114, strike out line 12 and all that follows thereafter through page 124, line 10, and insert in lieu thereof the following:

"NATIONAL MARKETING LOAN PROGRAM FOR WHEAT, FEED GRAINS, COTTON, RICE, AND SOYBEANS

"SEC. 504. (a) Whenever a producer repays a loan—

"(1) for a crop of wheat under section 107D of this Act;

"(2) for a crop of feed grains under section 105C of this Act;

"(3) for a crop of cotton under section 103(i) of this Act;

"(4) for a crop of rice under section 101(j) of this Act; or

"(5) for a crop of soybeans under section 201(g) of this Act

such repayment shall be at the lesser of—

"(A) the original loan rate established for such crop; or

"(B) a discounted loan rate which the Secretary determines will minimize the number of loan forfeitures, will not result in excessive total stocks of such crop, will reduce the costs incurred by the Federal Government in storing such crop and will maintain the competitiveness of such crop in domestic and export markets.

"(b) Any gain realized by a producer from repaying a loan at the lesser of the original loan rate or a loan rate determined by the Secretary of Agriculture under subsection (a) shall not be subject to any limitation under section 1011 of the Food Security Act of 1985.

"(c) Notwithstanding any other provision of this Act—

"(1) in no event shall the level of loans and purchases for the 1986 or the 1987 crop for wheat be less than \$3.30 per bushel;

"(2) in no event shall the level of loans and purchases for the 1986 or the 1987 crop for corn be less than \$2.55 per bushel;

"(3) in no event shall the level of loans for cotton be less than 55 cents per pound;

"(4) in no event shall the level of loans for the 1986 or 1987 crop of rice be less than \$8 per hundredweight; and

"(5) in no event shall the level of loans and purchases for soybeans be less than \$5.02 per bushel."

Page 124, line 12, strike out "508" and insert in lieu thereof "505".

—Page 284, line 24, strike out "or".

Page 285, line 8, insert "and" immediately after the semicolon.

Page 285, after line 8, insert the following:

(v) a small area that is or was wetland located in a field of which the predominant part is not wetland;

—Page 186, line 18, strike out "\$4.50" and insert in lieu thereof "\$5.02".

Page 187, after line 15, insert the following:

"(B) Whenever a producer repays a loan made under this subsection for a crop, such repayment shall be at the lesser of—

"(i) the original loan rate established for such crop; or

"(ii) a discounted loan rate which the Secretary determines will minimize the number of loan forfeitures, will not result in excessive total stocks of soybeans, will reduce the costs incurred by the Federal Government in storing soybeans, and will maintain the competitiveness of soybeans in domestic and export markets.

"(C) Any gain realized by a producer from repaying a loan at the lesser of the original loan rate or a loan rate determined by the Secretary of Agriculture under subparagraph (B) shall not be subject to any limitation under section 1011 of the Food Security Act of 1985.

"(C) Any gain realized by a producer from repaying a loan at the lesser of the original loan rate or a loan rate determined by the Secretary of Agriculture under subparagraph (B) shall not be subject to any limitation under section 1011 of the Food Security Act of 1985.

Page 124, line 25, insert "(A)" after "(1)".
Page 125, line 7, strike out "(A)" and insert "(i)" in lieu thereof.

Page 125, line 14 and page 126, line 1, strike out "(B)".

Page 126, on lines 3 and 8, strike out "(A)".

Page 130, strike out line 21 and all that follows thereafter through page 131, line 9.
—Page 126, lines 11, 12, and 13, strike out "as computed without regard to any adjustment made under the next sentence".

Page 126, line 13, strike out "If the Secretary" and all that follows through "this sentence." On line 20, and insert in lieu thereof "In no event shall such loan level be less than 55 cents per pound."

Page 127, after line 9, insert the following:
"(B) Whenever a producer repays a loan made under this subsection for a crop, such repayment shall be at the lesser of—

"(i) the original loan rate established for such crop; or

"(ii) a discounted loan rate which the Secretary determines will minimize the number of loan forfeitures, will not result in excessive total stocks of cotton, will reduce the costs incurred by the Federal Government in storing cotton, and will maintain the competitiveness of cotton in domestic and export markets.

—Page 144, lines 22 and 23, strike out "as computed without regard to any adjustment made under the next sentence".

Page 144, lines 23 and 24, strike out "if the Secretary" and all that follows through "this sentence." on page 145, line 4, and insert in lieu thereof "In no event shall such loan level be less than \$8.00 per hundredweight in the case of the 1986 and 1987 crops of rice."

Page 145, after line 10, insert the following:

"(B) Whenever a producer repays a loan made under this subsection for a crop, such repayment shall be at the lesser of—

"(i) the original loan rate established for such crop; or

"(ii) a discounted loan rate which the Secretary determines will minimize the number of loan forfeitures, will not result in excessive total stocks of rice, will reduce the costs incurred by the Federal Government in storing rice, and will maintain the competitiveness of rice in domestic and export markets.

"(C) Any gain realized by a producer from repaying a loan at the lesser of the original loan rate or a loan rate determined by the Secretary of Agriculture under subparagraph (B) shall not be subject to any limitation under section 1011 of the Food Security Act of 1985."

Page 144, line 13, insert "(A)" after "(1)".
Page 147, strike out line 4 and all that follows thereafter through line 15.

By Mr. GEJDESON:
—Page 253, after line 18, insert the following new section:

CHILD IMMUNIZATION

Sec. 1107. (a) The Agricultural Trade Development and Assistance Act of 1954 is amended—

(1) in paragraph (11) of section 109 (7 U.S.C. 1799(11)) by inserting immediately before the period at the end thereof ", including the immunization of children";

(2) in the first sentence of section 206 (7 U.S.C. 1726) by striking out "or" before "(B)", and by inserting immediately before the period at the end thereof ", or (C) health programs and projects, including immunization of children"; and

(3) in the second sentence of section 301(b) (7 U.S.C. 1727(b)) by inserting "(including immunization of children)" immediately after "health services".

(b) In the implementation of health programs undertaken in relation to assistance provided under the Agricultural Trade Development and Assistance Act of 1954, it shall be the target for the organizations and agencies involved to provide for the immunization by fiscal year 1987 of at least three million more children annually than received immunizations under such programs in fiscal year 1985. Such increased immunization activities should be taken in coordination with similar efforts of other organizations and in keeping with any national plans for expanded programs of immunization. The President shall include information concerning such immunization activities in the annual reports required by section 634 of the Foreign Assistance Act of 1961, including a report on the estimated number of immunizations provided each year pursuant to this subsection.

By Mr. GILMAN:

—Page 244, line 12, after "title II" insert "and section 311".

Page 248, at the end of line 22, add the following: The minimum allocation requirements of this clause apply with respect to commodities and products made available under this subsection for carrying out programs of assistance under title II of the Agricultural Trade Development and Assistance Act of 1954, and not with respect to commodities and products made available to carry out section 311 of that Act.

Page 252, after line 23, insert the following:

"(C) The minimum quantity requirements of subparagraphs (A) and (B) apply with respect to the eligible commodities to be made available for carrying out programs of assistance under title II of the Agricultural Trade Development and Assistance Act of 1954, and not with respect to eligible commodities made available to carry out section 311 of that Act.

Page 253, line 1, strike out "(C)" and insert in lieu thereof "(D)".

Page 253, after line 18, insert the following new section:

FOOD FOR PROGRESS PROGRAM AND PRIVATE ENTERPRISE PROMOTION

Sec. 1107. (a) Title III of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1727-1727g) is amended by adding at the end thereof the following new section:

"Sec. 311. (a) The President is authorized to negotiate and carry out agreements with developing countries, that have made commitments to agricultural policy reforms, providing for the furnishing of agricultural commodities to such countries, on a credit or grant basis, to support reform and implementation of agricultural policy decisions based on free market principles. Such agree-

ments may provide for commodities to be furnished on a multiyear basis.

"(b) The agreement between the United States Government and a recipient country which provides for the furnishing of commodities under this section shall be called a Food for Progress Program.

"(c) Before entering into an agreement with a developing country for the furnishing of agricultural commodities under this section, the President shall be satisfied that such country is committed to carry out, or is carrying out, policies that promote economic freedom, private production of food commodities for domestic consumption, and the creation and expansion of efficient domestic markets for the purchase and sale of such commodities. Such policies may provide for, among other things—

"(1) access, on the part of farmers in the country, to private, competitive markets for their product;

"(2) market pricing of commodities to foster adequate private sector incentives to individual farmers to produce food on a regular basis for the country's domestic needs;

"(3) establishment of market-determined foreign exchange rates;

"(4) timely availability of production inputs, such as seed, fertilizer, or pesticides, to farmers; and

"(5) access to technologies to the level of agricultural developments in the country.

"(d)(1) Notwithstanding any other provision of law, the Commodity Credit Corporation may use funds appropriated to carry out title I of this Act in carrying out this section.

"(2) The Commodity Credit Corporation may finance the sale and exportation of commodities furnished to a developing country under this section.

"(3) The Commodity Credit Corporation shall make available to the President such agricultural commodities determined to be available under section 401 as the President may request for purposes of furnishing commodities on a grant basis under this section.

"(4) Section 203 of this Act shall apply to commodities furnished on a grant basis to a developing country under this section.

"(e) Payment by any developing country for commodities purchased on credit terms under this section shall be on the same basis as the terms provided in section 106 of this Act.

"(f) Any new spending authority provided by this section shall be effective for any fiscal year only to such extent or in such amounts as are provided in advance in appropriation Acts.

"(g) Any reference to 'this title' in sections 301 through 307 of this title shall not apply with respect to this section."

(b) Section 106(b) of such Act (7 U.S.C. 1706(b)) is amended by adding at the end thereof the following new paragraph:

"(4)(A) Notwithstanding any other provision of this subsection, agreements under this title for the sale of agricultural commodities for dollars on credit terms may provide that proceeds from the sale of the commodities in the recipient country shall be used for such private sector development activities as are mutually agreed upon by the United States and the recipient government.

"(B) Proceeds used for private sector development activities pursuant to this paragraph shall be loaned by the recipient government to one or more financial intermediaries operating within the country for use by those financial intermediaries for loans to private individuals, private and voluntary

organizations, corporations, cooperatives, and other entities within such country. Such proceeds shall not be used to promote the production of commodities or the products thereof that will compete, as determined by the President, in world markets with similar commodities or the products thereof produced in the United States.

"(C) As used in this paragraph—

"(i) the term 'private sector development activities' means activities which foster and encourage the development of private enterprise institutions and infrastructure as the base for the expansion, promotion, and improvement of the production of goods and services within a recipient country; and

"(ii) the term 'financial intermediaries' includes banks, cooperatives, private and voluntary organizations, and other financial institutions capable of making and servicing loans."

By Mr. GINGRICH:

—Beginning on page 396, strike line 24 through line 5 on page 404, and insert in lieu thereof the following new section:

EMPLOYMENT AND TRAINING PROGRAM

Sec. . (a) Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)) is further amended by—

(1) amending paragraph (1)(ii) to read as follows:

"(ii) refuses without good cause to participate in an employment and training program under paragraph (4) of this subsection, to the extent required under paragraph (4), including any reasonable employment requirements as are prescribed by the State agency in accordance with paragraph (4): *Provided*, That the period of ineligibility shall be two months;"

(2) adding at the end of paragraph (1) the following new sentences: "Any period of ineligibility for violations under this paragraph shall end when the household member who committed the violation complies with the requirement that has been violated;"

(3)(A) striking out "eighteen" in the material preceding clause (i) in paragraph (d)(1) and inserting in lieu thereof "sixteen"; and

(B) in paragraph (d)(2)—

(i) striking out "a work registration requirement" in clause (A) and inserting in lieu thereof "requirements for employment related activities";

(ii) striking out in clause (B) "a dependent child under age six" and all that follows to the end of the clause and inserting in lieu thereof "(i) a dependent child under age six, except that a State agency may, at its option, require such parent or guardian to comply with the work requirements if the child is age three or over and adequate child care is available, or (ii) of an incapacitated person;" and

(iii) adding a new clause (F) at the end of the paragraph to read "(F) a person between ages sixteen and eighteen who is not a head of household or who is attending school on a full-time basis;" and

(4) adding at the end thereof the following new paragraph:

"(4)(A) Each State agency shall implement an employment and training program designed by the State agency in accordance with guidelines established by the Secretary for the purpose of assisting members of households receiving benefits under this Act in gaining skills, training, or experience that will increase their ability to obtain regular employment. For purposes of this Act, an "employment and training program" means a program, approved by the Secretary, that shall contain a job search program with

terms and conditions comparable to those prescribed in subparagraphs (A) and (B) of section 402(a)(35) of part A of title IV of the Social Security Act, except that a State agency shall have no obligation to incur costs exceeding \$25 per participant per month, as provided in subparagraph (B)(vi) of this paragraph, and a State agency shall be required to apply employment requirements prescribed under this clause to program applicants at the time of application, and shall also contain one or more of the following components:

"(i) job search training programs that include reasonable job search training and support activities that may consist of jobs skills assessments, job finding clubs, training in techniques for employability, job placement services, or other direct training or support activities, including educational programs, determined by the State agency to expand the job search abilities or employability of those subject to the program;

"(ii) programs designed to improve the employability of household members through actual work experience or training, or both, and to enable individuals employed under such programs to move promptly into regular public or private employment. The facilities of the State public employment offices and agencies operating programs under the Job Training Partnership Act may be used to find employment and training opportunities for household members under the programs. Employment or training experience assignments shall be limited to projects that serve a useful public purpose in fields such as health, social services, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety, and day care. To the extent possible, the prior training, experience, and skills of the participating member shall be used in making appropriate employment experience assignments. An employment or training experience program established under this clause shall—

"(I) not provide any work that has the effect of replacing the employment of an individual not participating in the employment or training experience program;

"(II) provide the same benefits and working conditions that are provided at the job site to employees performing comparable work for comparable hours; and

"(III) reimburse participants for actual costs of transportation and other actual costs that are reasonably necessary and directly related to participation in the program, but not to exceed \$25 in the aggregate per month; and

"(iii) as approved by the Secretary, other programs, projects, and experiments, such as a supported work program, aimed at accomplishing the purpose of the employment and training program; and

"(iv) workfare programs operated under Section 20 of this Act.

"(B)(i) Each State agency shall place all persons subject to employment and training requirements under subsection (d)(1) in a job search program or in an alternative employment and training program authorized under subsection (A)(i), (ii), (iii), or (iv) of this section.

"(B)(ii) Each State agency shall place in employment and training program activities authorized under subsection (A)(i), (ii), (iii), or (iv) of this section not less than twenty-five percent of the persons subject to employment and training requirements under subsection 6(d)(1) for any month in the fiscal year beginning October 1, 1986, fifty

percent of such persons for any month in the fiscal year beginning October 1, 1987, and seventy-five percent of such persons for any month in the fiscal year beginning October 1, 1988 and each fiscal year thereafter.

"(iii) The Secretary shall use State agency reports in conjunction with findings of the quality control system to monitor the compliance of State agencies with the requirements of this paragraph. If it is determined that a State agency has failed to comply with such requirements, the State agency shall be subject to penalties as determined by the Secretary which may include a reduction in the funds provided to the State agency under subsection 16(a) in accordance with the procedures set forth in subsection 16(d). If such procedures are applied, the State agency shall be considered to have issued erroneous payments for the number of households by which it failed to meet the appropriate standard established in subsection (B)(1) or (B)(2) of this section, with each such erroneous payment being equal to the average allotment for all households containing a member who is required to participate in employment and training program activities."

"(C)(i) The State agency may provide that participation in an employment and training program may supplement or supplant other requirements imposed on those subject to the program.

"(ii) In complying with the performance standards established in subsection 6(B) and subject to guidelines established by the Secretary, each State agency may exempt from participation in any program under this paragraph categories of household members to which the State agency determines that the application of such requirements is impracticable as applied to such categories due to factors such as, but not limited to, the availability of work opportunities and the cost effectiveness of the employment requirements. In making such a determination, the State agency may designate a category consisting of all such household members residing in a specified area of the State. The State agency may also exempt or suspend from such requirements individual household members not included in any such category but with respect to whom it determines that such requirements are impracticable because of personal circumstances such as, but not limited to, lack of job readiness and employability, the remote location of work opportunities, and unavailability of dependent care.

"(iii) The total hours of work in an employment and training program carried out under this paragraph required of members of a household, together with the hours of work of such members in any other program carried out under section 20 of this Act, in any month collectively may not exceed a number of hours equal to the household's allotment for such month divided by the higher of the applicable State minimum wage or Federal minimum hourly rate under the Fair Labor Standards Act of 1938. The total hours of participation in such program required of any member of a household, individually, in any month, together with any hours worked in another program carried out under section 20 of this Act and any hours worked for compensation (in cash or in kind) in any other capacity, shall not exceed one hundred and twenty hours per month.

"(iv) Each State agency shall establish requirements, determined by the State agency to be appropriate, for participation for individuals not exempt under clause (ii) of this

paragraph in one or more employment and training programs under this paragraph (which requirements may vary among participants), but may operate programs under this paragraph in which individuals elect to participate. The State agency shall permit individuals not subject to the requirements described in the previous sentence or who have completed or are in the process of complying with such requirements to participate in any program under this paragraph.

"(v) The Secretary shall promulgate guidelines that, to the maximum extent practicable, enable a State agency to design and operate an employment and training program under this paragraph that is compatible and consistent with similar programs operated within the State.

"(vi) A State agency shall reimburse participants for actual transportation costs and other actual expenses incurred by participants in the employment and training program, except that the State agency may limit such reimbursement to each participant to \$25 per month."

(b) Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended by—

(1) striking out the period after paragraph (2) and inserting in lieu thereof "; and"; and

(2) adding at the end thereof the following new paragraph:

"(22) the manner in which the State agency will carry out the employment and training program under section 6(d)(4) of this Act."

(c) Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by adding at the end thereof the following new subsection:

"(h)(1) Effective October 1, 1984, the Secretary shall allocate in each fiscal year, from funds appropriated for such fiscal year under section 18(a)(1) of this Act, the amount of \$40,000,000 for the fiscal year ending September 30, 1986, \$50,000,000 for the fiscal year ending September 30, 1987, \$60,000,000 for the fiscal year ending September 30, 1988, and \$75,000,000 for the fiscal year ending September 30, 1989, and September 30, 1990, which amount shall be used to pay to each State agency the full cost (except as otherwise provided in this subsection) of carrying out the employment and training program under section 6(d)(4) of this Act.

"(2) If, in carrying out such activities, a State agency incurs costs that exceed the amount payable to the State agency under paragraph (1), the Secretary shall pay such State agency an amount equal to the 50 per centum of such additional costs in accordance with subsection (a).

"(3) The Secretary shall, in accordance with subsection (a), reimburse each State agency in an amount equal to 50 per centum of the total amount of payments made or costs incurred by the State agency in connection with actual transportation costs and other actual expenses reasonably incurred by participants in the employment and training program, except that such total amount shall not exceed an amount representing \$25 per participant per month.

By Mr. GLICKMAN:

—(1) Title IV of H.R. 2100 is amended by—
 "(a) on page 68, line 23 before the "." inserting the following: ", except that the Secretary shall not make available payments under this paragraph to any producer with a wheat acreage base of less than 15 acres for the crop."

"(b) on page 70, after line 11 striking all through page 71, line 12 and inserting in lieu thereof the following—

"(C) For each crop of wheat, the established price shall not be less than the following levels for each farm:

"(i) \$4.50 per bushel for any portion of the crop produced on each farm that does not exceed fifteen thousand bushels and

"(ii) \$4.00 per bushel for any portion of the crop produced on each farm that exceeds fifteen thousand bushels."; and
 (2) Title V of H.R. 2100 is amended by—

"(a) on page 92, line 4 before the "." inserting the following: ", except that the Secretary shall not make available payments under this paragraph to any producer with a feed grains acreage base of less than 15 acres for the crop."; and

"(b) on page 93, after line 19 striking all through page 94, line 20 and inserting in lieu thereof the following—

"(C) For each crop of corn, the established price shall not be less than the following levels for each farm:

"(i) \$3.10 per bushel for any portion of the crop produced on each farm that does not exceed thirty thousand bushels and

"(ii) \$2.75 per bushel for any portion of the crop produced on each farm that exceeds thirty thousand bushels."

—(1) Title IV of H.R. 2100 is amended by—

"(a) on page 65, after line 8, striking all through "shall" on line 11 and inserting in lieu thereof the following—

"(2) If the Secretary determines that the availability of nonrecourse loans and purchases will not have an adverse effect on the program provided for in paragraph (3), the Secretary may";

"(b) on page 67, line 5 striking "The Secretary may" and inserting in lieu thereof the following—

"(3)(A) Unless the Secretary, at the Secretary's discretion, makes available nonrecourse loans and purchases to producers under paragraph (2) for a crop of wheat, the Secretary shall";

"(c) on page 68, line 23 before the "." inserting the following: ", except that the Secretary shall not make available payments under this paragraph to any producer with a wheat acreage base of less than 15 acres for the crop."

"(d) on page 70, after line 11 striking all through line 12, page 71 and inserting in lieu thereof the following—

"(C) For each crop of wheat, the established price shall not be less than the following levels for each farm:

"(i) \$4.50 per bushel for any portion of the crop produced on each farm that does not exceed fifteen thousand bushels and

"(ii) \$4.00 per bushel for any portion of the crop produced on each farm that does not exceed fifteen thousand bushels."

"(d) on page 86, line 15 striking "may not" and inserting in lieu thereof the following: "shall";

"(e) on page 86, line 18 striking "may" and inserting in lieu thereof the following: "shall"; and

(2) Title V of H.R. 2100 is amended by—

"(a) on page 87, after line 15, striking all through "shall" on line 18 and inserting in lieu thereof the following—

"(2)(A) If the Secretary determines that the availability of nonrecourse loans and purchases will not have an adverse effect on the program provided for in paragraph (3), the Secretary may";

"(b) on page 89, after line 11, striking all through "shall" on line 15 and inserting in lieu thereof the following—

"(B) If the Secretary determines that the availability of nonrecourse loans and purchases will not have an adverse effect on

the program provided for in paragraph (3), the Secretary may";

"(c) on page 89, line 5, striking "The Secretary may" and inserting in lieu thereof the following—

"(3)(A) Unless the Secretary, at the Secretary's discretion, makes available nonrecourse loans and purchases to producers under paragraph (2) for a crop of corn the Secretary shall";

"(d) on page 90, line 21, striking "The Secretary may" and inserting in lieu thereof the following—

"(B) Unless the Secretary, at the Secretary's discretion, makes available nonrecourse loans and purchases to producers under paragraph (2) for a crop of feed grains the Secretary shall";

"(e) on page 92, line 4 before the "." inserting the following: ", except that the Secretary shall not make available payments under this paragraph to any producer with a feed grains acreage base of less than 15 acres for the crop."; and

"(f) on page 93, after line 19 striking all through line 20, page 94 and inserting in lieu thereof the following—

"(C) For each crop of corn, the established price shall not be less than the following levels for each farm:

"(i) \$3.10 per bushel for any portion of the crop produced on each farm that does not exceed thirty thousand bushels and

"(ii) \$2.75 per bushel for any portion of the crop produced on each farm that exceeds thirty thousand bushels."

"(g) on page 109, line 12 striking "may not" and inserting in lieu thereof the following: "shall"; and

"(h) on page 109, line 15 striking "may" and inserting in lieu thereof the following: "shall";

—Title X of H.R. 2100 is amended by: "1 on page 212 on line 14, after "nonrecourse" insert "and recourse"; and "2 on page 213 on lines 2 and 7, after "loans" insert "and recourse loans made under section 401(a)(3) and section 501(a)(3) of this Act" in each instance."

—Title XII of H.R. 2100 is amended by: "On page 288, striking out line 14 and all that follows through line 20 and inserting in lieu thereof the following—

"(1) during the period which begins on the date of the enactment of this Act and ends on whichever is later of January 1, 1990 or the date which is two years after the date such land on which such crop is produced was mapped by the Soil Conservation Service for the purposes of classifying such land under the land capability classification system, on any land that was cultivated to produce any of the 1981 through 1985 crops of agricultural commodities or that was set aside, diverted or otherwise not cultivated under provisions of a Department of Agriculture program for any such crops to reduce production of an agricultural commodity, except as otherwise provided in section 1205(m).";

—On page 413, line 21, strike the word "and", and on line 22, insert before the period the following: ", and system security and privacy."

—On page 414, line 4, strike the word "and" and insert in lieu thereof a comma, and after the word, "cost-effective", insert the following: ", and secure."

—On page 503, after line 7, insert the following new section:

NEW GRAIN CLASSIFICATIONS

SEC. 1873. The Secretary shall direct the Federal Grain Inspection Service and the

Agricultural Research Service to cooperate in developing new means of establishing grain classifications taking into account characteristics other than those visually evident and shall report to the House Committee on Agriculture and the Senate Committee on Agriculture and Forestry not later than December 31, 1985, on the status of those cooperative efforts as they relate to more accurately classifying types of wheat and other grains now in use."

By Mr. GREEN:

—On page 72, strike out lines 9 through 11;
On page 95, strike out lines 15 through 17;
On page 131, strike out lines 7 through 9 and insert in lieu thereof "cured.";

On page 147, strike out lines 12 through 15 and insert in lieu thereof "been made.";

On page 211, strike out line 12 and insert in lieu thereof the following: "public access for recreation: the term 'payments' shall include the difference between the original loan level and the level at which the loan is repaid with respect to loans made in accordance with sections 107D(a) (3) and 105C(a) (3) of the Agricultural Act of 1949.".

By Mr. GUNDERSON:

Strike all in Title II, as amended, and insert the following:

SEC. 201. Notwithstanding any other provision of law, this Act shall be effective beginning upon the date of enactment and may be cited as the "Milk Marketing Improvement Act of 1985".

LEVEL OF PRICE SUPPORT

Sec. 202. Section 201(c) of the Agricultural Act of 1949 (7 U.S.C. 1446(c)) is amended—

(1) in the first sentence—
(A) by striking out "The price of milk" and inserting in lieu thereof "(1) Except as provided in paragraph (2), the price of milk";

(B) by striking out "75 per centum" and inserting in lieu thereof "70 per centum", and

(C) by inserting "after consultation with the National Dairy Board established in section 11 of the Milk Marketing Improvement Act of 1985," after "determines".

(2) by striking out the second sentence and inserting in lieu thereof "Effective on the first day of the first marketing year beginning after the effective date of this paragraph, the support price of milk shall be adjusted at the beginning of each marketing year to reflect any estimated change in the parity index during the marketing year preceding the marketing year for which such adjustment is made.".

(3) in the third sentence by inserting "in accordance with paragraph (2)" before the period, and

(4) by adding at the end thereof the following new paragraph:

"(2) To carry out paragraph (1), milk and the products of milk shall be purchased as follows:

"(A) First, not to exceed the sum of—
(i) three and five-tenths billion pounds (milk equivalent), and

"(ii) the number of pounds (milk equivalent) equal to the difference between—

"(I) the number of pounds of milk, of the products of milk (milk equivalent), and of casein and caseinates (milk equivalent), imported into the United States in such marketing year, and

"(II) the average of the number of pounds of milk, the products of milk (milk equivalent), and of casein and caseinates (milk equivalent), imported into the United States annually in the three marketing years preceding the marketing year for which the determination is made under this section,

shall be purchased by the Secretary with funds (other than funds transferred under section 212(4) of the Milk Marketing Improvement Act of 1982 to the Secretary) made available to the Secretary for such purpose.

"(B) Second, any quantity of milk and the products of milk in excess of the quantity purchased under subparagraph (A), required to be purchased to support the price of milk at the level established under paragraph (1) for such marketing year, shall be purchased with funds transferred under section 212(4) of the Milk Marketing Improvement Act of 1982 to the Secretary, to the extent that such funds are adequate to carry out this subparagraph.

"(C) Third, any quantity of milk and the products of milk in excess of the quantities purchased under subparagraph (A) and subparagraph (B) required to be purchased to support the price of milk at the level established under paragraph (1) shall be purchased (on a reimbursable basis) with funds (other than funds transferred under section 212(4) of the Milk Marketing Improvement Act of 1982 to the Secretary) made available to the Secretary for such purpose. Any purchases made under this subparagraph shall be reimbursed promptly with any funds available for transfer under section 212(4) of the Milk Marketing Improvement Act of 1985."

INDIVIDUAL MARKETING BASES

Sec. 203. (a) Not later than September 15, the Secretary shall establish individual marketing bases for the first marketing year beginning after such day as follows:

(1) A person who owns a production facility at which milk has been produced, for marketing, throughout each year of the three-year period ending on March 31 preceding the marketing year for which such base is to be established shall have a base, with respect to such production facility, equal to the average of the quantities of milk produced annually at such production facility, for marketing, in such three years.

(2) A person who owns a production facility at which milk has been produced, for marketing, throughout each year of the two-year period ending on March 31 preceding the marketing year for which such base is to be established shall have a base, with respect to such production facility, equal to the average of the quantities of milk produced annually at such production facility, for marketing, in such two years or three hundred and fifty thousand pounds, whichever is larger.

(3) A person who owns a production facility at which milk has been produced, for marketing, throughout the one-year period ending on March 31 preceding the marketing year for which such base is to be established shall have a base, with respect to such production facility, equal to the quantity of milk produced at such production facility, for marketing, in such period or three hundred and fifty thousand pounds, whichever is larger.

(4) A person who owns a production facility at which milk has been produced, for marketing, before the effective date of this paragraph and in, but not throughout, the eighteen-month period preceding the marketing year for which such base is to be established shall be assigned a base determined on the basis of the monthly average of milk produced by such producer at such production facility, but not less than three hundred and fifty thousand pounds.

(5)(A) If sufficient base (milk equivalent) is available under section 204 for assignment

under this subparagraph, then a person who owns a production facility at which milk has not been produced, for marketing, throughout a period specified in paragraph (1), (2), or (3) or in the period described in paragraph (4) may be assigned a base of not less than three hundred and fifty thousand pounds (milk equivalent) in accordance with such section.

(B) Notwithstanding paragraph (2) and paragraph (3), for each of the two marketing years following the marketing year for which a base is assigned under subparagraph (A) such person shall have a base not less than the base assigned under subparagraph (A).

(6) A person who produces milk and who does not receive a base under paragraph (1), (2), (3), (4), or (5) of this subsection or lease any base under subsection (b), with respect to the production facility at which such milk is produced, shall have a base equal to zero with respect to such production facility.

No person who receives a base under paragraph (1), (2), (3), or (4) with respect to a production facility may be assigned a base under paragraph (5) with respect to such production facility.

(b) Notwithstanding subsection (a), the State Dairy Commission for the State in which the production facility involved is located may adjust the size of a base received under paragraph (1), (2), (3), or (4) of such subsection if such Commission determines that the quantity of milk produced at such production facility in the applicable period was abnormally low as a result of factors beyond the control of any producer who then produced milk at such production facility. The refusal of such Commission to increase a base under this subsection may be appealed only to the Board. The decision of the Board shall be final.

(c) A person who receives a base under subsection (a) (including any increase received under subsection (b)) may lease in writing all or part of such base to any producer who—

(1) produces milk at the production facility with respect to which such base is received under subsection (a), and

(2) does not then have any other base received under subsection (a) or leased under this subsection.

(d) For any marketing year—

(1) no producer may receive more than one base under subsection (a), and

(2) no producer who receives a base under subsection (a) may lease any part of a base under subsection (c).

(e) Notwithstanding subsection (a), if a person who receives a base under such subsection for two successive marketing years, with respect to a production facility, does not—

(1) produce milk at such production facility, or

(2) lease any part of either of such bases to a producer described in subsection (c) who produces milk at such production facility,

in either of such marketing years, then the base which would be received by such person for the year following such two successive marketing years, but for the operation of this subsection, shall be available to the Commission for the State in which such production facility is located, for assignment in accordance with section 204.

ASSIGNMENT OF BASES TO NEW PRODUCERS

Sec. 204. (a) Commissions may assign bases to eligible producers under section

203(a)(5)(A), except that the aggregate of all bases assigned by any Commission under such section for a marketing year may not exceed the aggregate of the bases available to such Commission under section 203(e) for assignment for such marketing year.

(b) Available bases assigned by a Commission shall be assigned among eligible persons in the following order of priority:

(1) First, bases shall be assigned to persons who have not produced milk, for marketing, before submitting such application and who have a low net worth.

(2) Second, bases shall be assigned to persons who have not produced milk, for marketing, before submitting such application and who intend to produce milk at production facilities located on family farms and operated by family members.

(3) Third, other persons who are eligible to receive a base under section 203(a)(5)(A).

(c) Except as provided in subsection (a) and subsection (b), any person described in section 203(a)(5)(A) who—

(1) submits to the appropriate Commission an application to receive a base assigned under such section, and

(2) intends to produce milk at the production facility with respect to which the assignment of such base is requested, is eligible to receive such base.

(d) The decision of a Commission to assign a base or to deny an application to receive a base may be appealed only to the Board by the applicant. The decision of the Board shall be final.

PERCENTAGE REDUCTION OF PRODUCTION

Sec. 205. (a) Not later than September 15 of each year, the Board shall estimate for the marketing year beginning after such date—

(1) the quantity of milk necessary to satisfy the commercial market requirements (including the requirements of programs carried out by the United States), and

(2) the quantity of milk to be produced, for marketing, in such marketing year.

If the Board determines that the quantity of milk to be produced exceeds the quantity of milk necessary to satisfy such requirements, by an amount greater than the estimated pounds of milk and the products of milk required to be purchased by the Secretary under section 201(c)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446(c)(2)) in such marketing year, then the Board shall determine a percentage reduction factor under subsection (b).

(b) The percentage reduction factor for a marketing year shall be equal to the percentage which bears the same ratio to 100 per centum as the level of commercial market requirements for such marketing year estimated under subsection (a)(1) bears to the level of milk production estimated under subsection (a)(2).

ASSESSMENTS FOR EXCESSIVE MARKETING

Sec. 206. (a) For a marketing year for which a percentage reduction factor is required to be determined under section 5, the Board shall establish two rates of assessment under subsection (b) applicable to producers. Such rates of assessment shall be sufficient, when applied with respect to milk produced during such marketing year, to produce under section 7 the estimated amount of funds required—

(1) to purchase the quantity of milk and the products of milk in excess of the number of pounds of milk and the products of milk required to be purchased by the Secretary under section 201(c)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446(c)(2)) in

such marketing year necessary to support the price of milk at the level established under section 201(c)(1) of the Agricultural Act of 1949 (7 U.S.C. 1446(c)(1)) for such marketing year, and

(2) to pay the pay, travel, and administrative expenses authorized by this Act and incurred by the Board and the Commissions.

(b) For purposes of subsection (a), the Board shall establish by rule—

(1) a rate of assessment applicable with respect to the quantity of milk marketed by a producer that exceeds the product of—

(A) the base received by such producer under section 3 (other than a base received under subsection (a)(6)), and

(B) the percentage reduction factor determined under section 205,

but does not exceed such base, and

(2) a greater rate of assessment applicable with respect to the quantity of milk marketed by a producer that exceeds such base.

(c) The rates of assessment established under subsection (b) for a marketing year may be adjusted during such marketing year to produce the amount of funds described in subsection (a).

LIABILITY FOR ASSESSMENTS

Sec. 207. (a) Any person who produces milk in the United States, for marketing, shall be liable for assessments applicable under section 206.

(b) The amount of any assessment owed under subsection (a) for a quarter of a marketing year shall be determined by applying pro rata the appropriate rates of assessment to the quantity of milk equal to the difference between—

(1) the quantity of milk produced by such person, for marketing, in the three-month period involved, and

(2) one-fourth of the quantity of milk equal to the product of—

(A) the base assigned to such person under section 3, and

(B) the percentage reduction factor determined under section 205.

COLLECTION OF ASSESSMENTS

Sec. 208. (a) Assessments owed under section 207 shall be collected by handlers in three equal monthly installments payable in the three-month period following the quarterly period for which such assessment is owed.

(b) Assessments collected under subsection (a) shall be remitted monthly to the Board, not later than fifteen days after the end of the month in which such assessments are collected.

(c) Handlers required to collect assessments under subsection (a) shall—

(1) maintain, and make available for inspection by the Board and the Secretary, such records as the Secretary may require by rule, and

(2) submit reports to the Board and the Secretary at such time and containing such information as the Secretary or the Board may require by rule,

to make an accounting with respect to the collection and remittance of such assessments.

ENFORCEMENT OF COLLECTION OF ASSESSMENTS

Sec. 209. (a) Any person who fails to pay, collect, or remit any assessment owed under section 207 or payable under section 208 may be assessed a civil penalty by the Board of not less than \$1,000. No civil penalty may be assessed under this paragraph unless such person is given notice of, and opportunity for an administrative hearing on the record with respect to, such violation.

(b) Any person against whom a civil penalty is assessed, under subsection (a) may obtain review of such penalty in an appropriate district court of the United States by filing a civil action in such court not later than thirty days after such penalty is imposed. As part of its answer, the Board shall file in such court a certified copy of the record upon which the findings and decision complained of are based. The findings of the Board may be set aside only if found to be unsupported by substantial evidence.

(c) The district courts of the United States shall have jurisdiction to review and enforce any civil penalty imposed under subsection (a).

REVOLVING ACCOUNT

Sec. 210. (a) There is hereby established in the Treasury of the United States a revolving account to be known as the Milk Marketing Stabilization Fund.

(b) Assessments received under section 208(b) shall be deposited by the Board in the fund.

(c) From proceeds received by the Commodity Credit Corporation from the sale of milk and the products of milk, the Secretary shall deposit in the fund for a fiscal year an amount which bears the same ratio to the aggregate proceeds received by the Commodity Credit Corporation from the sale of milk and the products of milk in such fiscal year as the aggregate amount of funds transferred under section 212(4) by the Board to the Secretary for the purchase of milk and the products of milk in such fiscal year bears to the aggregate amount of funds expended under section 201(c) of the Agricultural Act of 1949 (7 U.S.C. 1446(c)) to purchase milk and the products of milk in such fiscal year.

(d) Moneys in the fund shall be available to the Board, in amounts specified in appropriation Acts and without fiscal year limitation, for pay, travel, and administrative expenses incurred by the Board.

NATIONAL DAIRY BOARD

Sec. 211. There is hereby established in the Department of Agriculture the National Dairy Board.

DUTIES OF BOARD

Sec. 212. The duties of the Board are—

(1) to determine under section 205 the percentage reduction factor applicable for a marketing year,

(2) to establish under section 206 rates of assessment applicable for a marketing year,

(3) to receive assessments remitted under section 8(b) and to deposit such assessments into the fund,

(4) to transfer moneys from the fund to the Secretary for the purchase of milk and the products of milk in accordance with section 201(c)(2) of the Agricultural Act of 1949 (7 U.S.C. 1446(c)(2)),

(5) to review decisions of the Commissions denying requests made under section 203(b) for adjustments of bases and applications submitted under section 204 to receive bases,

(6) to determine whether surplus funds exist in the revolving account and to make any appropriate refunds to producers, and

(7) to advise the Secretary regarding—

(A) methods to develop and improve domestic and foreign markets for milk and the products of milk,

(B) methods to develop and improve research related to the production and marketing of milk and the products of milk, and

(C) the level at which the price of milk should be supported under section 201(c) of

the Agricultural Act of 1949 (7 U.S.C. 1446(c)).

MEMBERSHIP AND OPERATION OF BOARD

Sec. 213. (a) The Board shall be composed of twelve members as follows:

(1) The Secretary or his delegate.
(2) One producer appointed from each region designated in subsection (b), appointed by the President, by and with the advice and consent of the Senate, from among persons nominated by producers and associations of producers.

(3) One person appointed from among persons who process milk.

(4) Two persons appointed from among persons who represent the interests of consumers.

(b) The regions from which producers shall be appointed under subsection (a)(2) are as follows:

(1) New York, Connecticut, Rhode Island, Vermont, New Hampshire, Maine, and Massachusetts,

(2) Pennsylvania, Ohio, New Jersey, Delaware, Maryland, and the District of Columbia,

(3) Mississippi, Alabama, Florida, South Carolina, North Carolina, Virginia, West Virginia, Tennessee, Kentucky, and Georgia,

(4) Missouri, Illinois, Indiana, and Michigan,

(5) Wisconsin,

(6) Minnesota, Iowa, North Dakota, and South Dakota,

(7) Idaho, Utah, Arizona, New Mexico, Colorado, Wyoming, Montana, Nebraska, Kansas, Oklahoma, Texas, Louisiana, and Arkansas, and

(8) California, Nevada, Oregon, Washington, Alaska, and Hawaii.

(c) A vacancy on the Board shall be filled in the manner in which the original appointment was made.

(d)(1) Except as provided in paragraph (2) and paragraph (3), members of the Board—

(A) shall be paid the daily equivalent of the minimum rate of basic pay payable from time to time for GS-13 of the General Schedule under section 5332(a) of title 5, United States Code, for each day (including traveltime) during which they are engaged in the performance of the duties of the Board, and

(B) while away from their homes or regular places of business in performance of services for the Board, shall be allowed travel expenses, including a per diem allowance in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses under section 5703 of title 5, United States Code.

(2) The Secretary, or his delegate, shall not receive additional pay, allowances, or benefits by reason of serving as a member of the Board.

(3) Pay and travel expenses authorized by this subsection may be paid only with funds deposited in the Milk Marketing Stabilization Fund.

(f) Seven members of the Board shall constitute a quorum.

(g) The Chairman of the Board shall be elected by the members of the Board for a term of two years.

(h) The Board shall meet as soon as practicable after the date of the enactment of this Act, at the call of the Secretary. Thereafter the Board shall meet at the call of the Chairman or of a majority of the members, but not less frequently than monthly.

STAFF

Sec. 214. (a) Except as provided in subsection (b), the Board may appoint and fix the pay of such personnel as it considers appropriate without regard to section 5311(b) of title 5, United States Code.

(b) Personnel appointed by the Board shall be appointed subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

POWERS OF BOARD

Sec. 215. (a) For the purpose of carrying out the duties of the Board, the Board may sit and act at such times and places, take such testimony, and receive such evidence as the Board considers appropriate.

(b) Any member or agent of the Board may, if authorized by the Board, take any action which the Board may take under subsection (a).

SUPPORT SERVICES

Sec. 216. The Secretary shall make available to the Board support services adequate to allow the Board to carry out its duties.

STATE DAIRY COMMISSIONS

Sec. 217. The Secretary shall appoint for each State in which milk is produced for marketing, a State dairy commission.

DUTIES OF COMMISSION

Sec. 218. The duties of a Commission are—

(1) to assign bases under section 204 with respect to production facilities under paragraph (4) and paragraph (5) of section 203(a), and

(2) to adjust bases under section 203(b) with respect to production facilities described in paragraphs (1), (2), (3), and (4) of section 203(a).

MEMBERSHIP AND OPERATION OF COMMISSION

Sec. 219. (a) Except as provided in subsection (b), a Commission shall be composed of five members appointed for terms of three years by the Secretary from among producers in the State for which such Commission is appointed.

(b)(1) Of the members first appointed to such Commission—

(A) two members shall be appointed for terms of three years,

(B) two members shall be appointed for terms of two years, and

(C) one member shall be appointed for a term of one year.

(2) Any member appointed to fill a vacancy before the expiration of the term for which his predecessor was appointed shall be appointed only for the remainder of such term.

(c) A vacancy in such Commission shall be filled in the manner in which the original appointment was made.

(d) Members of the Commission—

(A) shall be paid the daily equivalent of the minimum rate of basic pay payable from time to time for GS-7 of the General Schedule under section 5332(a) of title 5, United States Code, for each day (including traveltime) during which they are engaged in the performance of the duties of the Commission, and

(B) while away from their homes or regular places of business in performance of services for the Commission, shall be allowed travel expenses, including a per diem allowance in lieu of subsistence, in the same manner as persons employed intermittently in Government service are allowed expenses

under section 5703 of title 5, United States Code.

(e) Upon the request of such Commission, the Secretary shall make available to such Commission facilities, personnel, and supportive services of the Department of Agriculture appropriate to allow such Commission to effectively carry out its duties.

DEFINITIONS

Sec. 220. For purposes of this Act—

(1) the term "Board" means the National Dairy Board established in section 211,

(2) the term "Commission" means a State dairy commission appointed under section 217,

(3) the term "handler" means a person who—

(A)(i) retains milk of his own production, or

(ii) acquires by purchase or exchange milk from a producer, and

(B)(i) processes or prepares milk for marketing as fluid milk or the products of milk, or

(ii) markets milk or the products of milk,

(4) the term "marketing year" means a one-year period beginning on October 1 the marketing year established by the Secretary to carry out section 201(c) of the Agricultural Act of 1949 (7 U.S.C. 1446(c)),

(5) the term "Milk Marketing Stabilization Fund" means the fund established under section 210,

(6) the term "person" shall have the meaning given it in section 1 of title 1, United States Code,

(7) the term "production facility" means a milk production facility,

(8) the term "producer" means a milk producer,

(9) the term "Secretary" means the Secretary of Agriculture,

(10) the term "State" shall have the meaning given it in section 301(a)(6) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(a)(6)),

(11) the term "to market" means to sell or to exchange in a commercial market,

(12) the term "to own" means to own all or part, and

(13) the term "United States" shall have the meaning given it in section 301(a)(7) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(a)(7)).

EFFECTIVE DATE

Sec. 221. (a) Except as provided in subsection (b) and subsection (c), this Act shall take effect on the date of the enactment of this Act.

(b) The amendments made by section 202 shall take effect on October 1, 1985.

(c) Sections 203, 204, 205, 206, 207, 208, 209, and 210 shall take effect on September 1, 1985.

—Page 17, line 18, strike out the period and insert in lieu thereof a semicolon.

Page 17, after line 18 insert the following: "but not to exceed 50 cents per hundredweight."

Page 47, beginning on line 23, strike out "equal" and all that follows through line 2 on page 48, and insert in lieu thereof the following: "equal to \$50,000,000 divided by the number of hundredweights of milk estimated by the Secretary to be produced in the United States in the fiscal year involved."

—Page 37, after line 9, insert the following:

DOMESTIC CASEIN INDUSTRY

Sec. 215. (a) The Commodity Credit Corporation shall provide surplus stocks of nonfat dry milk of not less than one mil-

lion pounds annually to individuals or entities on a bid basis.

(b) The Commodity Credit Corporation may accept bids at lower than the resale price otherwise required by law in order to promote the strengthening of the domestic casein industry.

(c) The Commodity Credit Corporation shall take appropriate action to assure that the nonfat dry milk sold by the Corporation under this section shall be used only for the manufacture of casein.

Redesignate succeeding sections in the subtitle accordingly.

—Page 38, after line 11, insert the following new section:

APPLICATION OF SUPPORT PRICE FOR MILK

SEC. 217. For purposes of supporting the price of milk under section 201(d) of the Agricultural Act of 1949, the Secretary of Agriculture may not take into consideration any market value of whey.

—Page 53, strike out line 7 and all that follows through line 7 on page 54 (and redesignate references and succeeding sections accordingly).

—Page 56, after line 19, insert the following new sections:

NATIONWIDE MILK MARKETING ORDER

SEC. 236. (a) Section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in subsection (2)(A) by inserting "(except in the case of milk and its products)" before "milk";

(2) in subsection (5)—

(A) in the first sentence by striking out "orders issued pursuant to this section" the first place it appears and inserting in lieu thereof "any order issued pursuant to this section shall apply to all production areas and marketing areas nationwide and"; and

(B) in paragraph (G) by striking out "in any marketing area";

(3) in subsection (8)—

(A) in paragraph (A) by inserting "as to milk such order must be approved or favored by 51 per centum of the producers and" after "(except that"; and

(B) in paragraph (B) by inserting "(except that as to milk at least 51 per centum of the volume)" after "volume of such commodity" each place it appears; and

(4) in subsection (9)(B)—

(A) in subparagraph (i) by inserting "as to milk such order must be approved or favored by 51 per centum of the producers and" after "(except that"; and

(B) in subparagraph (ii) by inserting "(except that as to milk at least 51 per centum of the volume)" after "volume of such commodity" each place it appears.

(b) The amendments made by subsection (a) shall take effect on the first day of the seventh month beginning after the date of the enactment of this Act.

MAXIMUM PRICE FOR MILK OF THE LOWEST USE CLASSIFICATION

SEC. 237. Section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended—

(1) in subparagraph (A) by adding at the end thereof the following: "The price, as so adjusted, for milk of the lowest use classification may not exceed the difference between the price of milk of the highest use classification, as so adjusted, and the cost of reconstituting such milk of the lowest use classification. For purposes of the preceding sentence, the cost of reconstituting milk

means the cost required to be incurred to restore milk to a liquid containing the water, fat, and nutrients found in fluid milk in its original state."

BASING POINTS

SEC. 238. For purposes of making price adjustments under paragraphs (A)(3) and (B)(ii)(c) of section 8c(5) of the Agricultural Adjustment Act, reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, the Secretary may not establish more than four basing points located in the United States.

—Page 278, line 16, after the semicolon insert "and".

Page 278, line 23, strike out "and" and insert a period in lieu thereof.

Page 278, strike out line 24 and all that follows through line 5 on page 279 and insert in lieu thereof:

GLOBAL ANALYSIS OF FUTURE WORLD PRODUCTION AND FOOD NEEDS

Page 279, beginning in line 9, strike out "President shall appoint" and all that follows through "Food Aid" in line 5 on page 260 and insert in lieu thereof the following: Secretary of Agriculture, in conjunction with the United States Trade Representative, not later than one year after the date of enactment of this Act."

Page 280, line 21, strike out "Special Assistant" and insert in lieu thereof "Secretary, in conjunction with the United States Trade Representative."

Page 281, strike out line 3 and all that follows through line 13 on page 282.

Page 282, line 14, strike out "(e)" and insert "(b)" in lieu thereof.

Page 282, beginning in line 15 and ending in line 16, strike out "Office of the Special Assistant for Agricultural Exports and Food Aid" and insert in lieu thereof "Department of Agriculture".

By Mr. HORTON:

—Page 282, after line 18, insert the following:

CASE IN IMPORT REQUIREMENTS

SEC. 1155. (a) the Agricultural Act of 1949 (7 U.S.C. 1421 note) is amended by adding at the end thereof the following new section:

"QUANTITATIVE RESTRICTIONS ON MILK PROTEIN PRODUCTS

"SEC. 424. (a) For purposes of this section, the term 'milk protein products' includes—

"(1) casein,

"(2) caseinates,

"(3) lactalbumin,

"(4) whey protein concentrates, and

"(5) mixtures containing not less than 5 per centum of any product referred to in paragraphs (1) through (4).

"(b) To ensure that quantities of milk protein products imported into the United States will not render ineffective, or materially interfere with, price-support operations undertaken under this Act and materially interfere with the domestic dairy industry, the president shall by proclamation limit the quantity of milk protein products that may be entered in any calendar year (or portion of a calendar year in the case of the calendar year in which this section is enacted) beginning on the day after the effective date of this section, to a quantity equal to 50 per centum of the average annual quantity of milk protein products that was entered during the period beginning January 1, 1979, and ending December 1, 1983 (or, in the case of such portion of a calendar year, a proportionately lesser quantity).

"(c) In implementing a quantitative restriction proclaimed under subsection (b),

the Secretary of Agriculture shall establish an import licensing system for foreign milk protein products under which—

"(1) first preference shall be given to those importers or users who establish that their importation or utilization of such products is for purposes for which no substitutes are available;

"(2) second preference shall be given to those importers or users who establish that their importation or utilization of such products is for purposes for which domestically produced skim milk or skim milk solids cannot be substituted; and

"(3) third preference shall be given to importers or users not qualifying for allocation under paragraph (1) or (2)."

(b)(1) Subpart B of part 13 of schedule 4 of the Tariff Schedules of the United States (19 U.S.C. 1202) is amended by striking out item 493.12 and inserting in lieu thereof the following new items and the superior heading thereto:

493.11	For human or animal consumption, or for use in a product for human or animal consumption.	0.2¢ per lb.	0.2¢ per lb.
493.13	Other	Free	Free

(2) The amendment made by subsection (a) shall apply with respect to articles entered, or withdrawn from warehouse for consumption, on or after the 15th day after the date of the enactment of this Act.

By Mr. IRELAND:

—Page 113, line 4, strike out "producers of wheat and feed grains" and insert in lieu thereof "producers of wheat, feed grains, livestock, pork, and poultry—and distributors of seed, farm equipment and fertilizer registered or licensed in a state."

By Mr. JEFFORDS:

—Page 387, strike out line 19 and insert in lieu thereof the following: "food stamp program, except in the case of any individual who is a youth, as defined in section 203(c)(1) of the Job Training Partnership Act, participating in any such program for a period not to exceed 6 months."

—Page 387, line 16, insert "for more than 6 months" after "participating".

—Page 387, strike out line 19 and insert in lieu thereof the following: "food stamp program, except in the case of any individual who is a youth, as defined in section 203(c)(1) of the Job Training Partnership Act, participating in any such program for a period not to exceed 6 months."

—Page 387, line 16, insert "for more than 6 months" after "participating".

—Page 388, strike out lines 6 through 10.

Page 388, line 11, strike out "(ii)" and insert in lieu thereof "(i)".

Page 389, line 7, strike out "(iii)" and insert in lieu thereof "(ii)".

Page 390, strike out lines 9 through 20, and insert in lieu thereof the following: "(5) effective February 1, 1986, in clause (A) of the last sentence, striking out '\$35 a month' and inserting in lieu thereof 'the lesser of \$35 a month or 5 per centum of monthly household income after any exclusions and before any deductions provided for in this section'."

—Page 388, beginning on line 7, strike out "Low Income Home Energy Assistance Act (42 U.S.C. 8621 et seq.)" and insert in lieu thereof "Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) other than energy crisis intervention assistance provided under section 2604(a) of such Act."

Page 390, beginning on line 1, strike out "Low Income Home Energy Assistance Act

(42 U.S.C. 8621 et seq.)" and insert in lieu thereof "Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.)."

Page 390, beginning on line 17, strike out "Low Income Home Energy Assistance Act (42 U.S.C. 8621 et seq.)" and insert in lieu thereof "Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) other than energy crisis intervention assistance provided under section 2604(a) of such Act."

—Page 390, line 8, insert the following before the close quotation marks: "A State agency shall consider payments made on behalf of a household under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) to be pro rated over the entire heating or cooling season, regardless of the frequency with which such payments are made."

—Page 404, after line 5, insert the following new section (and redesignate references and succeeding sections accordingly):

ENERGY ASSISTANCE BENEFITS

SEC. 1515. Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end thereof the following new subsection:

"(i) Benefits received under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) shall not be taken into consideration for purposes of determining any allowance or deduction under this Act."

—Title XVIII, page 509, after line 13 insert the following:

FARMLAND PROTECTION

SEC. 1986. (a) Section 1546 of the Farmland Protection Policy Act (7 U.S.C. 4207) is amended by striking the words "Within one year after the enactment of this subtitle," and substituting therefor "On January 1, 1987, and at the beginning of each subsequent calendar year."

(b) Section 1548 of the Farmland Protection Policy Act (7 U.S.C. 4209) is amended by striking the words "any State, local unit of government, or" and inserting before the period at the end of the sentence "Provided, That the Governor of an affected state where a state policy or program exists to protect farmland may bring an action in the Federal District Court of the district where a federal program is proposed to enforce the requirements of section 1541 of this subtitle and regulations issued pursuant thereto."

—At the end of section 211, after the word "date", insert the following new section:

SEC. 243. MISBRANDED FOOD SUBSTITUTES FOR CHEESE

For purposes of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 et seq.), any food which is an imitation of cheese and which does not comply with any standard of identity in effect under section 401 of such Act for any cheese shall be deemed to be misbranded if its label contains the word "cheese".

By Mr. JONES of Oklahoma:

—Immediately after Section 1895 of the bill as reported on September 18, 1985, insert the following new sections (and conform the table of contents accordingly):

SECTION 1896. STUDY OF LEADED FUEL IN AGRICULTURAL MACHINERY

(a) STUDY.—The Secretary of Agriculture shall conduct a study of the use of fuel containing lead additives in gasoline engines which—

- (1) are used in agricultural machinery, and
- (2) are designed to combust fuel containing such additives.

The study shall analyze any mechanical problems (including but not limited to valve recession) which may be associated with the use of other fuels in such engines.

(b) CONTRACTS AND OTHER ARRANGEMENTS.—For purposes of the study under this Act, the Secretary of Agriculture is authorized to enter into such contracts and other arrangements as may be appropriate to obtain the necessary technical information. All testing of engines carried out for purposes of such study shall be reflective of actual agricultural conditions to the extent practicable, including revolutions per minute and payloads.

(c) FINDINGS AND REPORT.—The Secretary of Agriculture shall publish in the Federal Register not later than January 1, 1987, his proposed findings pursuant to such study. After notice and opportunity for hearing, but not later than January 1, 1988, the Secretary shall submit to Congress a final report containing the results of the study under this section, together with any public comments received and recommendations on the need for lead additives in gasoline to be used by agricultural machinery.

(d) AGRICULTURAL MACHINERY.—The Secretary of Agriculture shall specify the types and items of agricultural machinery to be covered by the study under this Act.

(e) REGULATION OF LEAD ADDITIVES DURING STUDY.—No regulation under any provision of law regarding the control or prohibition of lead additives in gasoline may require an average lead content per gallon which is less than 0.1 gram per gallon until the date 3 months after the report required by subsection (c) has been submitted to Congress.

SECTION 1897. AUTHORIZATION OF APPROPRIATIONS

For fiscal years beginning after September 30, 1985, there is authorized to be appropriated \$250,000 to carry out section 1 of this Act.

By Mr. KLECZKA:

—Page 275, line 11, strike out "1985," and insert in lieu thereof "1985, and except with respect to any such exports exported as assistance or a donation pursuant to title II of the Agricultural Trade Development and Assistance Act of 1954, which shall be subject to such requirements only to the extent consistent with the exporting of such exports on the lowest landed costs basis. For the purposes of this section, the term 'landed costs' include all costs associated with the procurement and transportation of cargo from the United States to the port of entry abroad."

—Page 275, after line 11, insert the following:

ADDITIONAL EFFECT ON OTHER LAWS

SEC. 1142. Notwithstanding section 1141, any exports exported as assistance or a donation pursuant to title II of the Agricultural Trade Development and Assistance Act of 1954, shall be subject to cargo preference requirements only to the extent consistent with the exporting of such exports on the lowest landed costs basis. For the purposes of this section, the term 'landed costs' include all costs associated with the procurement and transportation of cargo from the United States to the port of entry abroad."

By Mr. LEACH of Iowa:

—Page 509 after line 13, insert the following new section:

STRATEGIC ETHANOL RESERVE

SEC. . (a) The Secretary of Agriculture shall establish, maintain, and utilize a Strategic Ethanol Reserve.

(b)(1) The Secretary shall, within 180 days after the date of the enactment of this section, prepare and transmit to the Congress a Strategic Ethanol Reserve Plan which shall detail the Department of Agriculture's proposal for designating, constructing, filling, maintaining, and operating the storage and related facilities of the Reserve.

(2) The Secretary shall design the Plan to assure, to the maximum extent practicable, that the Reserve will provide the Federal Government with immediate access to ethanol in any case in which the President declares that it is needed to assist in meeting the energy needs of the country.

(3) The Plan shall include—

(A) a comprehensive environmental assessment;

(B) a description of the type and proposed location of each storage facility proposed to be included in the Reserve;

(C) an estimate of the volumes of ethanol proposed to be stored in each such storage facility;

(D) a program schedule for overall development and completion of the Reserve (taking into account all relevant factors, including cost effectiveness, the need to construct related facilities, and the ability to obtain sufficient quantities of ethanol to fill the storage facilities to the proposed storage levels);

(E) an estimate of the direct cost of the Reserve, including—

(i) the cost of storage facilities;

(ii) the cost of the ethanol to be stored;

(iii) the cost of related facilities; and

(iv) management and operations costs; and

(F) a distribution plan setting forth the method and manner of drawdown and distribution to be utilized with respect to the Reserve.

(c)(1) To the extent necessary or appropriate to implement the Plan, the Secretary shall prescribe regulations and shall, subject to the availability of funding in the account established by subsection (f)—

(A) acquire by purchase, condemnation, or otherwise, land, interests in land, and improvements thereon for the location of storage and related facilities;

(B) construct, purchase, lease, or otherwise acquire storage and related facilities;

(C) use, lease, maintain, sell, or otherwise dispose of storage and related facilities acquired pursuant to this Act;

(E) acquire by purchase, exchange, or otherwise, ethanol for storage in the Reserve;

(F) execute any contracts necessary to carry out the provisions of such Plan;

(G) maintain, operate, test, protect, and conserve the Reserve; and

(H) bring an action, whenever the Secretary deems it necessary to implement the Plan, in any court having jurisdiction of such proceedings, to acquire by condemnation any real or personal property, including facilities, temporary use of facilities, or other interests in land, together with any personal property located thereon or used therewith.

(2) Before any condemnation proceedings are instituted, a reasonable effort shall be made to acquire the property involved by negotiation.

(3) The Secretary shall, for purposes of implementing the Plan, obtain, store, and transport only ethanol which is produced in the United States from grain grown in the United States.

(d)(1) The Secretary shall, to the extent funds or Commodity Credit Corporation stocks are available, fill the Reserve at a minimum required fill rate of 6,000,000 bar-

rels in fiscal year 1986, 12,000,000 barrels in fiscal year 1987, 18,000,000 barrels in fiscal year 1988, and at least 20,000,000 barrels in each succeeding fiscal year until the barrels in the Reserve equal at least 10 percent of the number of barrels of petroleum product stored in the Strategic Petroleum Reserve established under part B of title I of the Energy Policy and Conservation Act.

(2) In fiscal year 1986, the Secretary shall operate and fill the Reserve using the accumulated stock held by the Commodity Credit Corporation as payment-in-kind for the purchase of ethanol. The implementation of the payment-in-kind program in fiscal year 1986 shall be conducted in such a manner as to require no additional appropriations to the Department of Agriculture for that fiscal year. Depending on the level of funds in the Strategic Ethanol Reserve Account and the amount of accumulated stocks held by the Commodity Credit Corporation, the Secretary may use a payment-in-kind program to fill the ethanol reserve for all years after fiscal year 1986. If a payment-in-kind program is used, no ethanol for that fiscal year shall be purchased from funds in the Strategic Ethanol Reserve Account.

(e)(1) Except as provided in paragraph (2), the Secretary may withdraw and distribute ethanol in the Reserve only as a result of a declaration made by the President to meet the energy needs of the United States.

(2) The Secretary may withdraw and distribute ethanol from the Reserve for periodic testing of the storage and distribution system; except that no such drawdown and distribution may be conducted until all ethanol withdrawn from the Reserve in the most recent test drawdown has been replaced.

(3) The Secretary may—

(A) restrict the use, exchange, or resale of ethanol withdrawn from the Reserve;

(B) require the prompt processing, refining, or delivery of the ethanol or products derived from such ethanol; and

(C) require the allocation of products refined from ethanol withdrawn from the Reserve.

(4) Ethanol in the Reserve may not be sold, exchanged, or otherwise disposed of for a price less than market value.

(f)(1) There is hereby established in the Treasury of the United States an account designated as the "Strategic Ethanol Reserve Account".

(2) There shall be credited to such account—

(A) revenues from the sale or other disposal of ethanol from the Reserve; and

(B) such sums as may be appropriated to such account.

(3) Funds credited to such account shall as provided for in appropriations issue be utilized by the Secretary for—

(A) the procurement of ethanol for the Reserve;

(B) the construction and operation of facilities associated with the Reserve;

(C) the drawdown and distribution of the Reserve; and

(D) the maintenance and operation of the Reserve.

(g) The Secretary shall, beginning not later than January 1, 1987, transmit an annual report to the Congress with a detailed accounting of the activities carried out under this section, including—

(1) the operation and maintenance of the system of the Reserve;

(2) the fill level of the Reserve;

(3) expenditures of funds from the account established by subsection (f);

(4) any changes made to the Plan established under subsection (b);

(5) a description of any legal actions involving the Reserve, which were initiated, pending, or concluded during the year for which the report is made;

(6) a description of all condemnation actions brought under subsection (c); and

(7) other activities which have been taken to implement such Plan.

(h) For purposes of this section—

(1) the term "Plan" means the Strategic Ethanol Reserve Plan established pursuant to subsection (b);

(2) the term "related facilities" means facilities associated with the storage, handling, processing, and use of liquid fuels, including pipelines, terminals, storage tanks, and refineries;

(3) the term "Reserve" means the Strategic Ethanol Reserve established pursuant to subsection (a); and

(4) the term "Secretary" means the Secretary of Agriculture.

—Page 275, lines 6 through 11, amend section 1141 to read as follows:

CARGO PREFERENCE

SEC. 1141. Title IV of the Agricultural Trade Development and Assistance Act of 1954 is amended by adding at the end thereof the following new section:

SEC. 414. Section 901(b) of the Merchant Marine Act, 1936 (46 U.S.C. App. 1241(b)) shall not apply to agricultural commodities made available under this Act, section 4(h), 4(m), and 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h), 714b(m), and 714c(f)), section 4(a) of the Food for Peace Act of 1966 (7 U.S.C. 1707a(a)), section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431), sections 201 and 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 1707b and 1707c), section 1203 of the Agriculture and Food Act of 1981 (7 U.S.C. 1736i), the Food Security Wheat Reserve Act of 1980 (7 U.S.C. 1736f-1), and any other such export activities of the Commodity Credit Corporation or the Department of Agriculture that promote the export of agricultural commodities under any other Act, except to the extent otherwise required for exports under section 403 of this Act."

By Mr. LIGHTFOOT:

—On page 72, strike out lines 9 through 11;

On page 95, strike out lines 15 through 17;

On page 131, strike out lines 7 through 9 and insert in lieu thereof "curred."

On page 147, strike out lines 12 through 15 and insert in lieu thereof "been made."

On page 211, strike out line 12 and insert in lieu thereof the following: "public access for recreation: the term 'payments' shall include the difference between the original loan level and the level at which the loan is repaid with respect to loans made in accordance with sections 107D(a)(3) and 105C(a)(3) of the Agricultural Act of 1949."

—Page 245, after line 17, insert a new subparagraph as follows:

"(B) As soon as possible after the beginning of each fiscal year, the Secretary shall determine the types of eligible commodities, and the amounts thereof, that will be available for disposition under this subsection during such fiscal year and shall publish a notice of the determination in the Federal Register."

Page 245, line 18, strike out "(B)" and insert "(C)" in lieu thereof.

—Page 246, line 3, insert after the period the following: "The requirement for safeguarding usual marketings of the United States shall not be used to prevent the furnishing of any eligible commodity for use in

countries that have not traditionally purchased the commodity from the United States or do not have adequate financial resources to acquire the commodity from the United States through commercial sources or through concessional sales arrangements."

—Page 253, after line 18, insert the following:

"(11) The Secretary may furnish eligible commodities under this subsection in connection with (A) concessional sales agreements entered into under title I of the Agricultural Trade Development Act of 1954 or other statutes, or (B) agricultural export bonus or promotion programs carried out under the Commodity Credit Corporation Charter Act or other statutes.

"(12) Eligible commodities may be furnished by the Secretary under this subsection in connection with agreements by recipient countries to acquire additional agricultural commodities from the United States through commercial arrangements.

"(13) The amount of any commodity furnished under paragraphs (11) and (12) of this subsection in any fiscal year shall not be considered for the purpose of determining whether the requirements of paragraph (10)(A) of this subsection has been met during such fiscal year."

Page 253, line 18, strike out the close quotation mark and the period which follows.

—Title 11, on page 275 after line 11 insert the following new section:

RESTRICTION ON THE USE OF AID GRANTS

SEC. 1142. Notwithstanding any other provision of law, no funds administered by the Agency for International Development may be expended for the purpose of providing grants or technical assistance for the production in any country of agricultural commodities which would displace imports by that country of United States agricultural commodities or which would displace exports of United States agricultural commodities to any other nation.

—Page 275, after line 11, insert the following:

STUDY

SEC. 1142. The Secretary of Agriculture shall, using an interagency task force with representatives from the Departments of Agriculture, State, and Commerce, study the economic impact on agricultural exports of any law or administrative action that imposes barriers on the import of foreign goods and report to Congress as soon as practicable the results of such study.

By Mr. LUNDINE:

—Page 159, strike out line 2 and all that follows through line 12 on page 185, and insert in lieu thereof the following:

NATIONAL POUNDAGE QUOTA AND FARM POUNDAGE QUOTA

SEC. 801. Effective only for the 1986 through 1988 crops of peanuts, subsections (k) through (p) of section 358 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1353(k)-(p)) are amended to read as follows:

"(k) The national poundage quota for peanuts for each marketing year shall be 800,000 tons for 1986; 600,000 tons for 1987; and 400,000 tons for 1988.

"(1) The national poundage quota established under subsection (k) of this section shall be apportioned among the States so that the poundage quota allocated to each State shall be equal to the percentage of the national poundage quota allocated to farms in the State for 1985.

"(m)(1) A farm poundage quota shall be established for each farm which had a farm poundage quota for the 1985 crop year.

"(2) The poundage quota apportioned to a State under subsection (1) of this section shall be allocated among such farms in the State so that the poundage quota allocated to each such farm shall be equal to the percentage of the poundage quota allocated to such farm for 1985.

"(n)(1) For each farm for which a farm poundage quota was established for the 1985 crop of peanuts, and when necessary for purposes of this Act, a farm yield of peanuts shall be determined for each farm.

"(2) Such yield shall be equal to the average of the actual yield per acre on the farm for each of the three crop years in which yields were highest on the farm out of the five crop years 1981 through 1985.

"(3) In the event that peanuts were not produced on the farm in at least three years during such five-year period or there was a substantial change in the operation of the farm during such period (including, but not limited to, a change in operator, lessee who is an operator, or irrigation practices), the Secretary shall have a yield appraised for the farm. The appraised yield shall be that amount determined to be fair and reasonable on the basis of yield established for similar farms which are located in the area of the farm and on which peanuts were produced, taking into consideration land, labor, and equipment available for the reproduction of peanuts, crop rotation practices, soil and water, and other relevant factors.

"(o)(1) Not later than December 15 of each calendar year, the Secretary shall conduct a referendum of farmers engaged in the production of quota peanuts in the calendar year in which the referendum is held to determine whether such farmers are in favor of or opposed to poundage quotas with respect to the crops of peanuts produced in the three calendar years immediately following the year in which the referendum is held, except that, if as many as two-thirds of the farmers voting in any referendum vote in favor of poundage quotas, no referendum shall be held with respect to quotas for the second and third years of the period.

"(2) The Secretary shall proclaim the result of the referendum within thirty days after the date on which it is held.

"(3) If more than one-third of the farmers voting in the referendum vote against quotas, the Secretary also shall proclaim that poundage quotas will not be in effect with respect to the crop of peanuts produced in the calendar year immediately following the calendar year in which the referendum is held.

"(p) For the purposes of this part and title I of the Agriculture Act of 1949 (7 U.S.C. 1441 et seq.):

"(1) The term 'quota peanuts' means, for any marketing year, any peanuts produced on a farm having a farm poundage quota, as determined in subsection (m) of this section—

"(A) that are eligible for domestic edible use as determined by the Secretary.

"(B) that are marketed or considered marketed from a farm, and

"(C) that do not exceed the farm poundage quota of such farm for such year.

"(2) The term 'additional peanuts' means, for any marketing year—

"(A) any peanuts that are marketed from a farm for which a farm poundage quota has been established and that are in excess of the marketings of quota peanuts from such farm for such year, and

"(B) all peanuts marketed from a farm for which no farm poundage quota has been established in accordance with subsection (m) of this section.

"(3) The term 'crushing' means—

"(A) the processing of peanuts to extract oil for food uses and meal for feed uses, or

"(B) the processing of peanuts by crushing or processing into flakes or otherwise when authorized by the Secretary.

"(4) The term 'domestic edible use' means use for milling to produce domestic food peanuts (other than those described in paragraph (3) of this subsection) and seed and use on a farm, except that the Secretary may exempt from this definition seeds of peanuts that are used to produce peanuts excluded under section 359(c) of this Act, are unique strains, and are not commercially available."

SALE, LEASE, OR TRANSFER OF FARM POUNDAGE QUOTA

SEC. 802. Effective only for the 1986 through 1988 crops of peanuts, subsections (i) and (j) of section 358a of the Agriculture Adjustment Act of 1938 (7 U.S.C. 135a(i) and (j)) are amended to read as follows:

"(i)(1) The owner, or the operator with permission of the owner, of any farm for which a farm poundage quota has been established under this Act may, subject to such terms, conditions, or limitations as the Secretary may prescribe, sell or lease all or any part of such poundage quota to any other owner or operator of a farm within the same county for transfer to such farm.

"(2) The owner or operator of a farm may transfer all or any part of such farm's farm poundage quota to any other farm owned or controlled by such owner or operator that is in the same county or in a county contiguous to such county in the same State and that had a farm poundage quota for the 1985 crop.

"(3) Notwithstanding the foregoing provisions of this subsection—

"(A) in the case of any county in any State for which the poundage quota allocated to the State was less than 10,000 tons for the 1985 crop.

"(B) in any other State, in the case of any county for which the poundage quota allocated to the county was less than 10,000 tons for the 1985 crop, and

"(C) in the case of any farm in any county in which the farm poundage quota established for the farm was not produced on the farm during any two of the three marketing years preceding the year for which the determination is being made.

All or any part of a farm poundage quota may be transferred by sale or lease or otherwise from a farm in one county to a farm in another county in the same State.

"(j) Transfers (including transfer by sale or lease) of farm poundage quotas under this section shall be subject to the following conditions:

"(1) No transfer of the farm poundage quota from a farm subject to a mortgage or other lien shall be permitted unless the transfer is agreed to by the lienholders.

"(2) No transfer of the farm poundage quota shall be permitted if the county committee established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) determines that the receiving farm does not have adequate tillable cropland to produce the farm poundage quota.

"(3) No transfer of the farm poundage quota shall be effective until a record thereof is filed with the county committee of the county to which such transfer is made and

such committee determines that the transfer complies with the provisions of this section.

"(4) Such other terms and conditions that the Secretary may by regulation prescribe."

MARKETING PENALTIES; DISPOSITION OF ADDITIONAL PEANUTS

SEC. 803. Effective only for the 1986 through 1988 crops of peanuts, section 359 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359) is amended by striking out subsections (f) through (l) and inserting in lieu thereof the following new subsections:

"(f)(1)(A) The marketing of any peanuts for domestic edible use in excess of the farm poundage quota for the farm on which such peanuts are produced shall be subject to penalty at a rate equal to 140 per centum of the support price for quota peanuts for the marketing year in which such marketing occurs.

"(B) For purposes of this section, the marketing year for peanuts shall be the twelve-month period beginning on August 1 and ending on July 31.

"(C) The marketing of any additional peanuts from a farm shall be subject to the same penalty unless such peanuts, in accordance with regulations established by the Secretary, are either—

"(i) placed under loan at the additional loan rate in effect for such peanuts under section 108B of the Agricultural Act of 1949 and not redeemed by the producers,

"(ii) marketed through an area marketing association designated pursuant to section 108B(e)(1) of the Agricultural Act of 1949, or

"(iii) marketed under contracts between handlers and producers, pursuant to the provisions of subsection (j) of this section.

"(D)(i) Such penalty shall be paid—

"(I) by the person who buys or otherwise acquires the peanuts from the producer, or

"(II) if the peanuts are marketed by the producer through an agent, by such agent.

"(ii) If a person or agent is required to pay a penalty under clause (i) of this subparagraph, such person or agent may deduct an amount equivalent to the penalty from the price paid to the producer.

"(E) If the person required to collect the penalty fails to collect such penalty, such person and all persons entitled to share in the peanuts marketed from the farm or the proceeds thereof shall be jointly and severally liable for the amount of the penalty.

"(F) Peanuts produced in a calendar year in which farm poundage quotas are in effect for the marketing year beginning therein shall be subject to such quotas even though the peanuts are marketed prior to the date on which such marketing year begins.

"(G) If any producer falsely identifies or fails to certify planted acres or fails to account for the disposition of any peanuts produced on such planted acres, an amount of peanuts equal to the farm's average yield, as determined under section 358(n) of this Act, times the planted acres, shall be deemed to have been marketed in violation of permissible uses of quota and additional peanuts. The penalty in respect thereof shall be paid and remitted by the producer.

"(2)(A) The Secretary shall authorize, under such regulations as the Secretary shall prescribe, the county committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)) to waive or reduce marketing penalties provided for under this subsection in cases in which such committees determine that the violations that were the

basis of the penalties were unintentional or without knowledge on the part of the parties concerned.

"(B) Errors in weight that do not exceed one-tenth of 1 per centum in the case of any one marketing document may not be considered marketing violations except in cases of fraud or conspiracy.

"(g)(1) Only quota peanuts may be retained for use as seed or for other uses on a farm.

"(2) Peanuts retained under paragraph (1) shall be considered as marketings of quota peanuts, except that the Secretary may exempt from consideration as marketings of quota peanut seeds of peanuts that are used to produce peanuts excluded under section 359(c) of this Act, are unique strains, and are not commercially available.

"(3) Additional peanuts may not be retained for use on a farm and may not be marketed for domestic edible use, except as provided in subsection (k) of this section.

"(4) Seed for planting of any peanut acreage in the United States shall be obtained solely from quota peanuts marketed or considered marketed for domestic edible use.

"(h) On a finding by the Secretary that the peanuts marketed from any crop for domestic edible use by a handler are larger in quantity or higher in grade or quality than the peanuts that could reasonably be produced from the quantity of peanuts having the grade, kernel content, and quality of the quota peanuts acquired by such handler from such crop for such marketing, such handler shall be subject to a penalty equal to 120 per centum of the loan level for quota peanuts on the quantity of peanuts that the Secretary determines are in excess of the quantity, grade, or quality of the peanuts that could reasonably have been produced from the peanuts so acquired.

"(i)(1) The Secretary shall require that the handling and disposal of additional peanuts be supervised by agents of the Secretary or by area marketing associations designated pursuant to section 108B(e)(1) of the Agricultural Act of 1949.

"(2) Quota and additional peanuts of like type and segregation or quality may, under regulations prescribed by the Secretary, be commingled and exchanged on a dollar value basis to facilitate warehousing, handling, and marketing.

"(3) Failure by a handler to comply with regulations issued by the Secretary governing the disposition and handling of additional peanuts shall subject the handler to a penalty at a rate equal to 120 per centum of the loan level for quota peanuts on the quantity of peanuts involved in the violation.

"(j) Handlers may, under regulations prescribed by the Secretary, contract with producers for the purchase of additional peanuts for crushing, export, or both. All such contracts shall be completed and submitted to the Secretary (or if designated by the Secretary, the area marketing association) for approval prior to August 1 of the year in which the crop is produced.

"(k)(1) Subject to the provisions of section 407 of the Agricultural Act of 1949 (7 U.S.C. 1427), any peanuts owned or controlled by the Commodity Credit Corporation may be made available for domestic edible use in accordance with regulations established by the Secretary.

"(2) Additional peanuts received under loan shall be offered for sale for domestic edible use at prices not less than those required to cover all costs incurred with respect to such peanuts for such items as in-

spection, warehousing, shrinkage, and other expenses, plus—

"(A) not less than 100 per centum of the loan value of quota peanuts if the additional peanuts are sold and paid for during the harvest season on delivery by the producer,

"(B) not less than 105 per centum of the loan value of quota peanuts if the additional peanuts are sold after delivery by the producer by not later than December 31 of the marketing year, or

"(C) not less than 107 per centum of the loan value of quota peanuts if the additional peanuts are sold later than December 31 of the marketing year.

"(3) For the period from the date additional peanuts are delivered for loan to March 1 of the calendar year following the year in which such additional peanuts were harvested, the area marketing association designated pursuant to section 108B(e)(1) of the Agricultural Act of 1949 shall have sole authority to accept or reject lot list bids when the sales price as determined under this section equals or exceeds the minimum price at which the Commodity Credit Corporation may sell its stocks of additional peanuts, except that the area marketing association and the Commodity Credit Corporation may agree to modify the authority granted by this paragraph in order to facilitate the orderly marketing of additional peanuts.

"(1)(1) The person liable for payment or collection of any penalty provided for in this section shall be liable also for interest thereon at a rate per annum equal to the rate of interest which was charged the Commodity Credit Corporation by the Treasury of the United States on the date such penalty became due.

"(2) The provisions of this section shall not apply to peanuts produced on any farm on which the acreage harvested for nuts is one acre or less if the producers who share in the peanuts produced on such farm do not share in the peanuts produced on any other farm.

"(3) Until the amount of the penalty provided by this section is paid, a lien on the crop of peanuts with respect to which such penalty is incurred, and on any subsequent crop of peanuts subject to farm poundage quotas in which the person liable for payment of the penalty has an interest, shall be in effect in favor of the United States.

"(4)(A) Notwithstanding any other provision of law, the liability for and the amount of any penalty assessed under this section shall be determined in accordance with such procedures as the Secretary by regulations may prescribe.

"(B) The facts constituting the basis for determining the liability for or amount of any penalty assessed under this section, when officially determined in conformity with the applicable regulations prescribed by the Secretary, shall be final and conclusive and may not be reviewable by any other officer or agency of the Government.

"(C) Nothing in this section shall be construed as prohibiting any court of competent jurisdiction from reviewing any determination made by the Secretary with respect to whether such determination was made in conformity with the applicable law and regulations.

"(D) All penalties imposed under this section shall for all purposes be considered civil penalties.

"(5) Notwithstanding any other provision of law, the Secretary may reduce the amount of any penalty assessed against handlers under this section if the Secretary finds that—

"(A) the violation on which the penalty is based was minor or inadvertent, and

"(B) the reduction of the penalty will not impair the operation of the peanut program.

"(m) Notwithstanding any other provision of law, the Secretary may not permit peanuts which are otherwise ineligible for price support as quota peanuts because of defects, as determined by the Secretary, to be eligible for price support at levels applicable to quota peanuts regardless of whether the quota allocated to the farm has been fully utilized for the crop year. The Secretary may, if deemed necessary, make peanuts so ineligible for price support as quota peanuts, if they have been pledged as collateral for a price support loan, available to buyers for seed use or edible use at prices which are applicable to quota peanuts."

PRICE SUPPORT PROGRAM

SEC. 804. Effective only for the 1986 through 1988 crops of peanuts, the Agricultural Act of 1949 is amended by adding after section 108A (7 U.S.C. 1445c-1) the following new section:

"Sec. 108B. Notwithstanding any other provision of law:

"(a)(1) The Secretary shall make price support available to producers through loans, purchases, or other operations on quota peanuts for each of the 1986 through 1988 crops.

"(2) Except as provided in paragraphs (3) and (4) of this subsection, the national average quota support rate for each of the 1986 through 1988 crops of quota peanuts shall be \$500 per ton for the 1986 crop, \$480 per ton for the 1987 crop, and \$460 per ton for the 1988 crop.

"(3) The Secretary may increase the national average quota support rate for a crop of peanuts prescribed under paragraph (2) by an amount determined by the Secretary, taking into account the factors referred to in section 401(b) of this Act.

"(4) Such levels of support may not be reduced by any deductions for inspection, handling, or storage, except that the Secretary may make adjustments for the location of peanuts and such other factors as are authorized by section 403 of this Act.

"(b)(1) Except as provided in paragraph (2) of this subsection, the Secretary shall make price support available to producers through loans, purchases, or other operations on additional peanuts for each of the 1986 through 1988 crops at such levels as the Secretary finds appropriate, taking into account the factors referred to in section 401(b) of this Act.

"(2) The Secretary shall set the support rate on additional peanuts at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of such peanuts.

"(c)(1) Except as provided in paragraph (2) of this subsection, the Secretary shall make price support available to producers through loans, purchases, or other operations on peanuts of the 1989 crop at such level as the Secretary finds appropriate, taking into account the factors referred to in section 401(b) of this Act.

"(2) The Secretary shall set the support rate at a level estimated by the Secretary to ensure that there are no losses to the Commodity Credit Corporation on the sale or disposal of such peanuts.

"(d) The Secretary shall announce each of the levels of support determined under subsection (b) or (c) not later than February 15

preceding the marketing year for the crop for which the level of support is being determined.

"(e)(1)(A) In carrying out subsections (a), (b), and (c) of this section, the Secretary shall make warehouse storage loans available in each of the three producing areas (described in section 1446.11 of title 7, Code of Federal Regulations (1984 ed.)) to a designated area marketing association of peanut producers that is selected and approved by the Secretary and that is operated primarily for the purpose of conducting such loan activities.

"(B) The Secretary may not make warehouse storage loans available to any cooperative that is engaged in operations or activities concerning peanuts other than those operations and activities specified in this section and in section 359 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359).

"(C) Such area marketing associations shall be used in administrative and supervisory activities relating to price support and marketing activities under this section and section 359 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359).

"(D) Loans made under this paragraph shall include, in addition to the price support value of the peanuts, such costs as the area marketing association reasonably may incur in carrying out its responsibilities, operations, and activities under this section and section 359 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359).

"(2)(A) The Secretary shall require that each area marketing association establish pools and maintain complete and accurate records by type, area, and segregation for—

"(i) quota peanuts of the 1986 through 1988 crops handled under loan,

"(ii) additional peanuts of the 1986 through 1988 crops placed under loan,

"(iii) additional peanuts produced without a contract between a handler and a producer as described in section 359(j) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359(j)), and

"(iv) all peanuts of the 1989 crop placed under loan.

"(B) Net gains on peanuts in each pool, unless otherwise approved by the Secretary, shall be distributed in proportion to the value of the peanuts placed in the pool by each producer.

"(C) For the 1986 through 1988 crops, net gains for peanuts in each pool shall consist of—

"(i) for quota peanuts—

"(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in such pool, plus

"(II) an amount from the pool for additional peanuts to the extent of the net gains from the sale for domestic food and related uses of additional peanuts in the pool for additional peanuts equal to any loss on disposition of all peanuts in the pool for quota peanuts, and

"(ii) for additional peanuts—

"(I) the net gains over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool for additional peanuts, less

"(II) any amount allocated to offset any loss on the pool for quota peanuts as provided in clause (i) of this subparagraph.

"(D) Notwithstanding any other provision of this section, any distribution of net gains on additional peanuts of any type to any producer shall be reduced to the extent of any loss by the Commodity Credit Corporation on quota peanuts of a different type placed under loan by such producer.

"(E) For the 1989 crop, net gains shall be the amount over and above the loan indebtedness and other costs or losses incurred on peanuts placed in the pool.

"(f) Notwithstanding the foregoing provisions of this section or any other provision of law, no price support shall be made available by the Secretary for any of the 1986 through 1988 crops of peanuts with respect to which poundage quotas have been disapproved by producers, as provided for in section 358(o) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358(o))."

REPORTS AND RECORDS

SEC. 805. Effective only for the 1986 through 1988 crops of peanuts, the first sentence of section 373(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373(a)) is amended by inserting immediately before "all brokers and dealers in peanuts" the following: "all farmers engaged in the production of peanuts,"

SUSPENSION OF MARKETING QUOTAS AND ACREAGE ALLOTMENTS

SEC. 806. The following provisions of the Agricultural Adjustment Act of 1938 shall not be applicable to the 1986 through 1989 crops of peanuts:

(1) Subsections (a) through (j) of section 358 (7 U.S.C. 1358(a)-(j));

(2) Subsections (a) through (h) of section 358a (7 U.S.C. 1358a(a)-(h));

(3) Subsections (a), (b), (d), and (e) of section 359 (7 U.S.C. 1359(a), (b), (d), and (e));

(4) Part I of subtitle C of title III (7 U.S.C. 1361 et seq.); and

(5) Section 371 (7 U.S.C. 1371).

SUSPENSION OF CERTAIN PRICE SUPPORT PROVISIONS

SEC. 807. Section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) shall not be applicable to the 1986 through 1989 crops of peanuts.

—In the table of contents, strike out the items relating to sections 801 through 807, and insert in lieu thereof the following:

Sec. 801. National poundage quota and farm poundage quota.

Sec. 802. Sale, lease, or transfer of farm poundage quota.

Sec. 803. Marketing penalties; disposition of additional peanuts.

Sec. 804. Price support program.

Sec. 805. Reports and records.

Sec. 806. Suspension of marketing quotas on acreage allotments.

Sec. 807. Suspension of certain price support provisions.

By Mr. MADIGAN:

—Title VA—

(1) page 112, line 7 after the word "conduct" strike the article "a" and insert "an advisory";

(2) page 112, line 11 insert the word "advisory" before the word "referendum";

(3) page 112, strike lines 14 through 16;

(4) page 113, lines 1 and 3 insert the word "advisory" before the word "referendum" where it appears;

(5) page 113, line 8 insert a period after the word "program" and strike all thereafter through line 10 page 124;

(6) page 124, line 12 strike the designation "Sec. 508." and insert "Sec. 504."; and

(8) page 124, after line 14, insert the following:

REPORT TO CONGRESS

"SEC. 505. Within thirty days after the aforementioned advisory referendum is conducted, the Secretary shall advise the Chairman of the Committee on Agriculture, U.S. House of Representatives and the

Chairman of the Committee on Agriculture, Nutrition, and Forestry of the U.S. Senate of the detailed results thereof.

—Page 114, lines 19 and 20, strike out "as determined under subsection (c) or (e) of section 107D" and insert in lieu thereof the following: "as determined by the Secretary to reduce carryovers to reasonable levels (except that the Secretary may not reduce acreage under an acreage reduction program by more than 50 percent)."

Page 119, lines 18 and 19, strike out "as determined under subsection (c) or (e) of section 105C" and insert in lieu thereof the following: "as determined by the Secretary to reduce carryovers to reasonable levels (except that the Secretary may not reduce acreage under an acreage reduction program by more than 40 percent)."

—Page 115, lines 14 and 15, strike out "to a marketing year issued" and insert in lieu thereof "wheat produced during the marketing year for which such marketing certificate is issued".

Page 120, lines 14 and 15, strike out "to a marketing year issued" and insert in lieu thereof "feed grains produced during the marketing year for which such marketing certificate is issued".

—Page 124, after line 10 insert the following:

"IMPORT LIMITATION AUTHORITY

"SEC. 508. Whenever the President determines that any commodity with respect to which a marketing certificate program under this title is in effect, or a product containing such commodity, is being or is practically certain to be imported into the United States under such conditions and in such quantities as to render or tend to render ineffective, or materially interfere with, that marketing certificate program, the President may order the cessation of all imports of that commodity or the product containing such commodity.

Page 124, line 12, strike out "508" and insert "509" in lieu thereof.

—Page 112, line 10, strike out "In the" and all that follows thereafter through line 16 and insert in lieu thereof the following: "In the case of the 1987 and 1988 crops, the referendum shall be conducted in June 1986. For the 1989 and 1990 crops, the referendum shall be conducted in June 1988."

Page 113, strike out lines 12 through 20 and insert in lieu thereof the following:

"(1) with respect to the referendum held in June 1986, the 1987 and 1988 crops of wheat and feed grains; and

"(2) with respect to the referendum held in June 1988, the 1989 and 1990 crops of wheat and feed grains.

—Title VA, strike out line 1, page 110 and all that follows thereafter through line 14, page 124.

—Title XIII, page 332 insert the following new section and designate it accordingly:

"SEC. . Sections 302 and 311 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922 and 1941) are amended by adding, at the end of the parenthetical provision in clause (3) of the second sentence, the following: "or, in the case of holders of the entire interest who are related by blood or marriage and all of whom are or will become farm operators, the ownership interest of each such holder separately constitutes not larger than a family farm, even if their interests collectively constitute larger than a family farm, as defined by the Secretary."

—Page 123, after line 21 insert the following:

"(4) During any period for which a marketing certificate program is approved under this title, if a person sells or acquires, for export, a commodity with respect to which such program is in effect and knows that the amount of the commodity so sold or acquired will, after being exported, be reimported (whether in original or processed form) into the United States, the Secretary shall assess a civil penalty, calculated as provided in paragraph (3), against such person.

—Title VA—

(1) page 112, line 7 after the word "conduct" strike the article "a" and insert "an advisory";

(2) page 112, lines 11 and 14 insert the word "advisory" before the word "referendum" where it appears;

(3) page 113, lines 1 and 3 insert the word "advisory" before the word "referendum" where it appears;

(4) page 113, line 8 insert a period after the word "program" and strike all thereafter through line 20;

(5) page 113, line 21 strike all through line 11, page 114;

(6) page 114, line 21 strike all through page 124, line 10;

(7) page 124, line 12 strike the designation "Sec. 508." and insert "Sec. 504."; and

(8) page 124, after line 14, insert the following:

REPORT TO CONGRESS

"Sec. 505. Within ninety days after the advisory referendum is conducted the Secretary shall advise the Congress of the detailed results thereof.

—Title X, page 239, after line 19, insert the following new section:

MARKETING YEAR

SEC. 1028. Section 301(b)(7) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)(7)) is amended by striking out "Corn, October 1-September 30;" and inserting in lieu thereof "Corn, September 1-August 31."

—Title X, page 239, after line 19, insert the following new section:

ANALYSIS OF INFORMATION—CONFIDENTIALITY

SEC. 1029 (a) Neither the Secretary, nor any other officer or employee of the Department of Agriculture (hereinafter "the Department") or agency thereof, nor any other person may—

(1) Use the information furnished generally pursuant to sections 1622(g) and 2204(a) of Title 7, United States Code, and specifically pursuant to sections 471, 501, 951, and 2248, Title 7, United States Code, section 42, Title 13, United States Code, and section 1516(a), Title 15, United States Code, for any purpose other than statistical purposes which are defined as the development or reporting of aggregate data in such a way that the identity of specific establishment or individual data is not discernible and is not material to the intended uses of the data, or (2) disclose such information to the public unless it has been transformed into statistical or aggregate formats that do not allow the identification of the establishment or individual who supplied particular information.

(b) No department, agency, officer, or employee of the Government except the Secretary in carrying out the general purposes of sections 1622(g) and 2204(a), Title 7, United States Code, and the specific purposes of sections 471, 501, 951, and 2248, Title 7, United States Code, shall require for any reason, copies of the statistical information provided to the Department which have

been retained by any such establishment or individual. Copies of such information which have been so retained shall be immune from mandatory disclosure of any type including legal process, and shall not, without the consent of the individual or establishment concerned, be admitted as evidence or used for any purpose in any action, suit, or other judicial or administrative proceeding.

(c) Any person who shall publish, cause to be published, or publicly release information collected pursuant to, generally, sections 1622(g) and 2204(a) of Title 7, United States Code, and specifically pursuant to sections 471, 501, 951, and 2248, Title 7, United States Code, section 42, Title 13, United States Code, and section 1516(a), Title 15, United States Code, in any manner or for any purpose prohibited in section (a) shall be fined not more than \$10,000 or imprisoned for not more than one year, or both."

—Page 114, after line 11, insert the following:

"(f) In the event that a national marketing certificate program is approved for any crop of wheat and feed grains, producers of livestock, pork, and poultry may, while such program is in effect and pursuant to regulations issued by the Secretary, purchase wheat and feed grains from existing stocks of the Commodity Credit Corporation at a cost equal to 105 per centum of the loan rate paid on such wheat and feed grains. Such wheat and feed grains may only be used by producers to wheat and feed livestock, pork, and poultry owned by such producers and located on their farms.

By Mr. MARLENEE:

—Page 415, after line 23, insert the following:

(b) Section 17(d) of the Food Stamp Act of 1977 (7 U.S.C. 2026(d)) is amended by—

(1) in the first sentence, by striking out "two" and inserting in lieu thereof "five"; and

(2) in the second sentence by striking out not less than" and all that follows through the period, and inserting in lieu thereof "is approximately equal to the average allotment to such households which would have been provided under the food stamp program but for the operation of this subsection."

Page 415, line 24, strike out "(b)" and insert in lieu thereof "(c)".

By Mrs. MARTIN of Illinois:

—Page 509, after line 13, insert the following new section:

SEC. 1896. Section 7 of the Act entitled "An Act providing for an inspection of meats for exportation, prohibiting the importation of adulterated articles of food or drink, and authorizing the President to make proclamations in certain cases, and for other purposes", approved August 30, 1890 (21 U.S.C. 101 et seq.), is amended by inserting after the first sentence the following: "The Secretary of Agriculture shall impose such health certification requirements on Canadian live hogs imported into the United States and shall take such action as may be necessary to ensure that the quarantine period for all swine imported into the United States from Canada is equivalent in length and other conditions to the quarantine period imposed at that time by Canada on swine imported into that country from the United States."

—Page 509, after line 13 insert the following:

DUTY-FREE BLENDED ETHANOL IMPORTS

SEC. 1896. (a) Congress finds that—

(1) farm income will decline further as a loss of demand for grain lowers farm prices;

(2) the inflow of duty-free blended ethanol will deprive the United States Treasury of millions of dollars in revenue;

(3) farm program costs will increase as a result of the Commodity Credit Corporation's acquisition of displaced domestic grain; and

(4) the United States ethanol industry is threatened by foreign ethanol imports.

(b) It is the sense of Congress that the United States Customs Service should impose immediately a 60-cent duty on blended ethanol imports entering the United States.

By Mr. MICHEL:

—Page 332, line 21, insert the following:

"FARM CREDIT REPORT

SEC. 1317. The President shall, prior to November 1, 1985, prepare and submit to the Congress his findings and recommendations concerning the continued sound and efficient operation of the Farm Credit System."

By Mr. MILLER of California:

—At the end of the bill, add a new Title XXI:

LIMITATION ON PARTICIPATION IN CERTAIN COMMODITY PRICE SUPPORT AND PAYMENT PROGRAMS

SEC. 21. (a) Any person who violates subsection (b), (c), or (d) shall be ineligible, as to any commodity produced by that person during the crop year which follows the crop year in which such violation occurs, for any type of price support, payment or any other program or activity described in any of paragraphs 1 through 5 of section 1202(a).

(b) Any agricultural employer shall provide the following to agricultural employees engaged in hand-labor operations in the field, without cost to such employees:

(1) Potable drinking water—

(A) provided and placed in locations readily accessible to the employees;

(B) suitably cool and in sufficient amounts to meet employees' needs, taking into account air temperature, humidity, and the nature of the work performed; and

(C) dispensed in single use drinking cups or by fountains, but not in common drinking cups or in dippers.

(2) With respect to toilets and handwashing facilities—

(A) one toilet and one handwashing facility provided for each group of 20 employees, or any fraction thereof;

(B) toilet facilities with doors which can be closed and latched from the inside and constructed to ensure privacy;

(C) toilet facilities supplied with toilet paper adequate to meet employee needs; and

(D) toilet and handwashing facilities accessibly located in close proximity to each other and within one quarter mile (0.4 kilometers) from each employee's workplace in the field, except that where it is not feasible to locate facilities so accessible and within the required distance due to the terrain, the toilet and handwashing facilities shall be located at the point of closest vehicular access;

except that, notwithstanding subparagraph (A), toilet and handwashing facilities are not required for employees who perform field work for a period of 3 hours or less (including transportation time to and from the field) during any given day.

(c) Any agricultural employer shall provide potable drinking water, and toilet and

handwashing facilities maintained in accordance with appropriate public health sanitation practices, including—

(1) drinking water containers which are covered, cleaned, and refilled daily;

(2) toilet facilities which are operational and maintained in clean and sanitary condition;

(3) handwashing facilities which are operational and maintained in clean and sanitary condition; and

(4) waste disposal in a manner which does not cause unsanitary conditions.

(d) Any agricultural employer shall allow employees reasonable opportunities to use the facilities during the workday.

(e) The Secretary of Agriculture shall delegate the making of rules to carry out this section and the investigation of allegations of violations of this section to the Secretary of Labor. The Secretary of Labor shall issue rules to carry out this section not later than 90 days after the date of the enactment of this section.

(f) For purposes of this section—

(1) the term "agricultural employer" means—

(A) any person, corporation, association, or other legal entity which owns or operates an agricultural establishment or on whose premises or in whose interest an agricultural establishment is operated; and

(B) any person, corporation, association, or other legal entity which is responsible for the management and condition of an agricultural establishment or which acts with direct or indirect involvement in the interest of an employer in relation to any employee;

(2) the term "agricultural establishment" means any business operation which uses paid employees in the production of food, fiber, or other materials such as seed, seedlings, plants, or parts of plants;

(3) the term "hand-labor operations"—

(A) means agricultural activities or operations performed by hand or with hand tools, including (i) the hand harvesting of vegetables, nuts, and fruit, and (ii) the hand planting of seedlings; and

(B) does not include (i) logging operations, (ii) the care or feeding of livestock, or (iii) hand-labor operations in permanent structures, including canning facilities and packing houses;

(4) the term "hand-washing" facility means any facility providing either a basin, a container, or an outlet with an adequate supply of potable water, soap, and single-use towels;

(5) the term "potable water" means water which meets the standards for drinking purposes by the state or local authority having jurisdiction or water which meets the quality standards prescribed by the United States Environmental Protection Agency's National Interim Primary Drinking Water Regulations (published in 40 CFR 141); and

(6) the term "toilet facility" means any fixed or portable facility designed for the purpose of defecation and urination, including biological or chemical toilets, combustion toilets, and sanitary privies.

By Mr. OBEY:

—Page 12, insert at the end of line 19 the following: "If a milk marketing base program is in effect under paragraph (1) for fiscal years 1986 through 1990, then paragraphs (2) through (7) shall not apply with respect to such fiscal years."

Page 35, after line 12, insert the following: "(11)(A) Not later than 30 days after the date of the enactment of the Dairy Unity Act of 1985, the Secretary shall conduct a

referendum, by secret ballot, of milk producers in the United States to determine whether producers favor the implementation, during fiscal years 1986 through 1990, of the national milk marketing base program described in this paragraph.

"(B) Any person who is engaged in the production of milk for commercial use, in the 30-day period ending on the date the referendum is conducted is eligible to vote in the referendum. No person may vote on behalf of a milk producer.

"(C) If the Secretary determines that not less than 60 per centum of the milk producers voting in the referendum favor the national milk marketing base program described in this paragraph, then during fiscal years 1986 through 1990—

"(i) the program shall be in effect;

"(ii) paragraphs (2) through (7) of this subsection shall not be in effect; and

"(iii) the level of price support per hundredweight of milk having 3.67 per centum milkfat shall be—

"(I) 63 per centum of the parity price for milk for fiscal years 1986 and 1987; and

"(II) 70 per centum of the parity price for milk for fiscal years 1988, 1989, and 1990.

"(D)(i) For each fiscal year during which the national milk marketing base program is in effect, the Secretary shall determine individual milk marketing bases of milk producers.

"(ii) For a fiscal year and subject to subparagraph (E), each milk producer shall have a milk marketing base equal to the product of—

"(I) 99 per centum of the producer's milk marketing history; and

"(II) the milk marketing allocation factor for the fiscal year; but not to exceed 99 per centum of the milk marketing history.

"(E)(i) In addition to any amount of marketing base determined for a producer under subparagraph (D), a producer shall have any amount of marketing base transferred to the producer under clause (iii) by the county committee.

"(ii) There shall be available for a fiscal year to the county committee for transfer among producers in accordance with clause (iii) an aggregate amount of milk marketing base equal to the sum of—

"(I) a pro rata share of the product of the allocation factor and 1 per centum of the aggregate of the milk marketing histories determined for the fiscal year for all producers in the United States,

"(II) if the production allocation factor for the fiscal year exceeds 100 per centum, a pro rata share of the product of the percentage of the allocation factor in excess of 100 per centum and the aggregate amount of the milk marketing histories determined for the fiscal year for all producers; and

"(III) the product of the allocation factor and any amount of milk marketing history of a producer in the county who does not engage throughout the fiscal year in the production of milk and who does not transfer such amount under clause (v) to another person.

"(iii) Subject to clause (iv) and to the extent practicable, the county committee shall transfer any milk marketing base available under clause (ii) to the committee among producers, in accordance with such rules as the Secretary shall issue.

"(iv) Not less than 25 per centum of the amount of milk marketing base available under subclauses (II) and (III) of clause (ii) shall be available for transfer by the county committee to milk producers who, as determined by the committee, demonstrate a

need for additional base as a result of unusual or special circumstances, except that no additional base may be transferred under this clause to a producer, other than a family unit, who has a base exceeding 1,000,000 pounds (milk equivalent).

"(v) A producer may transfer the producers' marketing history to any person by devise, sale, or lease of the farm on which is located the milk production facility owned by the producer. Except as provided in the preceding sentence, no producer may transfer a marketing history by sale, lease, exchange, or other means.

"(vi) The State director of the Agricultural Stabilization and Soil Conservation Service shall select an Appeal Committee composed of 5 milk producers who are members of county committees. The Appeal Committee will be responsible for the prompt hearing and judgment of appeals of base determinations and base transfers made under this paragraph.

"(vii) Any action taken by a county committee or the Appeal Committee under this paragraph is subject to disapproval by the Secretary.

"(F) In any fiscal year for which a national milk marketing base program is in effect under this paragraph, no milk producer may market for commercial use any quantity of milk of his own production in excess of the milk marketing base established under this paragraph for the producer for the fiscal year.

"(G) Any milk producer who violates subparagraph (F) shall be liable for a civil penalty, to be assessed by the Secretary after reasonable notice and opportunity for a hearing on the record, equal to the product of—

"(i) 75 per centum of the level of price support per hundredweight of milk having 3.67 per centum milkfat in effect for the fiscal year in which such violation occurs; and

"(ii) the quantity of milk (measured in hundredweights) with respect to which such violation occurs.

The Secretary may waive or reduce such penalty if the Secretary determines that the severity of such violation does not warrant the full payment of such penalty.

"(H) Any milk producer against whom a civil penalty is assessed, under subparagraph (G) may obtain review of such penalty in an appropriate district court of the United States by filing a civil action in such court not later than 30 days after such penalty is assessed. As part of the Secretary's answer, the Secretary shall file in such court a certified copy of the record upon which the findings and decision complained of are based. The findings of the Secretary may be set aside only if found to be unsupported by substantial evidence.

"(I) The district courts of the United States shall have jurisdiction to review and enforce any civil penalty assessed under subparagraph (G).

"(J) Civil penalties collected under this paragraph shall be available to the Secretary for expenditure without fiscal year limitation to carry out the Food for Peace Act of 1966, to the extent provided in advance in appropriations Acts.

"(K) For purposes of this paragraph—

"(i) the term 'milk marketing allocation factor' means the ratio of (I) the aggregate quantity of milk, as estimated by the Secretary, necessary to satisfy domestic consumption and exports of milk and the products of milk in the fiscal year (II) to the aggregate

quantity of milk produced in the United States in the fiscal year;

"(ii) the term 'county committee' means a county committee established under the Soil Conservation and Domestic Allotment Act;

"(iii) the term 'family member' means a spouse or child; and

"(iv) the term 'milk marketing history' means the average annual quantity of milk marketed by a producer for commercial use in the period of 5 fiscal years (excluding the fiscal year in which the largest quantity is marketed and the fiscal year in which the smallest quantity is marketed) ending on September 30 preceding the fiscal year for which the milk marketing base is being determined. For any period in such 5 fiscal years during which the producer participated in the milk diversion program under this subsection as in effect before the date of the enactment of the Dairy Unity Act of 1985, the marketings of milk by the producer shall be deemed to be equal to the marketings of milk by the producer in the corresponding period of the marketing history determined under such diversion program.

"(iii) Each milk producer and each county committee shall provide to the Secretary such information and records as the Secretary may require by rule to permit the Secretary to determine the milk marketing base of the producer.

"(L) The Secretary shall devise administrative methods to ensure the effective operation of this paragraph.

"(M) The price of milk shall be supported through the purchase of milk and the products of milk.

Page 35, line 13, strike out "(11)" and insert in lieu thereof "(12)".

Page 38, strike out line 13 and all that follows through line 11 on page 50.

Page 50, line 13, strike out "Sec. 222." and insert in lieu thereof "Sec. 221.".

Page 17, line 18, strike out the period and insert in lieu thereof a semicolon.

Page 17, after line 18 insert the following: "but not to exceed 50 cents per hundredweight."

Page 47, beginning on line 23, strike out "equal" and all that follows through line 2 on page 48, and insert in lieu thereof "15 cents."

By Mr. OBEY:

—Strike all in Title II, as amended, and insert the following (sections 201 through 252 with an amendment thereto):

Sec. 201. Notwithstanding any other provision of law, this Act shall be effective beginning upon the date of enactment and may be cited as the "Milk Production and Marketing Act of 1985".

Subtitle A—Milk Price Support and Producer-Supported Dairy Diversion

LEVEL OF MILK PRICE SUPPORT FOR FISCAL YEARS 1986 THROUGH 1990; REDUCTIONS IN THE PRICE OF MILK

Sec. 211. Effective October 1, 1985, section 201(d) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)) is amended by—

(1) redesignating paragraphs (3), (4), (5), and (6) as paragraphs (7), (8), (9), and (10), respectively; and

(2) striking out paragraphs (1) and (2) and inserting in lieu thereof the following:

"(1) During the fiscal years 1986 through 1990, the price of milk shall be supported as provided in this subsection.

"(2)(A) On October 1 of each of such fiscal years, the Secretary shall establish the level of price support per hundredweight of milk having 3.67 per centum of

milkfat, which level of price support shall be in effect throughout the fiscal year.

"(B) Such level of price support for a fiscal year shall be an amount equal to the product of (i) the preliminary support price for the fiscal year determined in accordance with paragraph (3) and (ii) the percentage determined in accordance with paragraph (4).

"(3)(A) For the fiscal year for which the level of price support is being determined, the preliminary support price per hundredweight of milk having 3.67 per centum milkfat shall be equal to the product of—

"(i) \$8.83 per hundredweight; and

"(ii) the adjusted cost of production index.

"(B)(i) For purposes of subparagraph (A)(ii), the adjusted cost of production index for the fiscal year shall be equal to—

"(I) the cost of production index; less

"(II) the product of the cost of production index and the milk productivity factor.

"(ii) For purposes of subclauses (I) and (II) of clause (i), the cost of production index for the fiscal year shall be equal to the ratio of (I) the cost of production (determined in accordance with subparagraph (C)) for the one-year period ending June 30 preceding the fiscal year for which the preliminary support price is being determined to (II) the cost of production (determined in accordance with subparagraph (C)) for the three-year base period consisting of calendar years 1976, 1977, and 1978.

"(iii) For purposes of clause (i)(II), the milk productivity factor for the fiscal year shall be equal to the product of 0.2 per centum per hundredweight of milk having 3.67 per centum milkfat and the difference between—

"(I) the average quantity (measured in pounds) of milk produced annually per cow during the one-year period ending June 30 preceding the fiscal year for which the preliminary support price is being determined; and

"(II) 11,101 pounds.

"(C) For purposes of subparagraph (B)(ii), the cost of production for milk shall be determined by the Secretary in the same manner as the cost of production for milk is determined under section 808 of the Agricultural Act of 1970, except that the cost of production for purposes of such subparagraph shall be computed on the basis of the prices for the items (other than the Consumer Price Index for All Urban Consumers), and of the proportional value of each of the items, specified in the following schedule:

"Item	Contribution to Costs of Production
Consumer Price Index for All Urban Consumers, determined by the Bureau of Labor Statistics.....	10 per centum
Prices received by farmers for meat animals.....	10 per centum
Feed.....	33 per centum
(consisting of: corn, 6.5 per centum 16 per centum dairy concentrate, 25 per centum hay, 1.5 per centum)	
Interest.....	8 per centum
(consisting of: production credit association rate, 3 per centum Federal land bank rate, 5 per centum)	
Taxes.....	2.5 per centum
Fuel and energy.....	4 per centum
Milk hauling.....	3 per centum
(consisting of: automobiles and trucks, 2 per centum bulk gasoline, 0.5 per centum diesel fuel, 0.5 per centum)	
Machinery and building repair.....	4 per centum
(consisting of: non-farm wage rate, 2 per centum farm and motor supplies, 1.5 per centum building and fencing, 0.5 per centum)	
Hired labor.....	7 per centum
Farm services and cash rent.....	8.5 per centum
Seed.....	1.5 per centum
Fertilizer.....	3 per centum
Agricultural chemicals.....	0.5 per centum

"Item	Contribution to Costs of Production
Tractor and self-propelled machinery.....	3 per centum
Other farm machinery.....	2 per centum

"(4) For the fiscal year for which the level of price support is being determined, the Secretary shall estimate the level of purchases of milk and the products of milk (measured in billions of pounds milk equivalent), less sales under section 407 for unrestricted use, that the Secretary would acquire under this subsection if the level of price support were equal to the preliminary support price determined under paragraph (3) for the fiscal year. For purposes of paragraph (2)(B), the level of price support for the fiscal year shall be calculated in accordance with the following schedule:

If the Secretary estimates that the amount of such purchases (in billions of pounds milk equivalent) for the fiscal year at such preliminary support price would be—	then for the fiscal year the level of price support shall be equal to the following percentage of such preliminary support price:	
	Not less than	Not more than
Less than 1.....	107.8	A percentage determined by the Secretary to be appropriate
Not less than 1 but less than 2.....	105.2	107.8
Not less than 2 but less than 3.....	102.6	105.2
Not less than 3 but less than 4.....	100.0	102.6
Not less than 4 but less than 5.....	97.4	100.0
Not less than 5 but less than 6.....	94.8	97.4
Not less than 6 but less than 7.....	92.2	94.8
Not less than 7.....	92.2	92.2

"(5) The price of milk shall be supported through the purchase of milk and the products of milk.

"(6)(A) During any of the fiscal years 1986 through 1990 for which a milk diversion program is in effect under paragraph (7), the Secretary shall provide for a reduction (subject only to downward adjustment by the Secretary during the fiscal year) to be made in the price received by producers for all milk produced in the United States and marketed by producers for commercial use.

"(B) The amount of such reduction for a fiscal year shall be the amount per hundredweight that when multiplied by the quantity of milk so marketed is equal to the sum of—

"(i) the cost in the fiscal year, as estimated by the Secretary, of the quantity of milk and the products of milk in excess of five billion pounds (milk equivalent), less sales under section 407 for unrestricted use, required to be purchased under this subsection;

"(ii) the cost, as estimated by the Secretary, of making payments to producers who reduce marketings in the fiscal year under the milk diversion program under paragraph (7); and

"(iii) \$50,000,000 in each of the fiscal years 1986 and 1987, to be deducted by the Secretary from the funds remitted under subparagraph (C) and deposited in the Dairy Research Trust Fund established by section 135 of the Dairy Production Stabilization Act of 1983.

"(C) The funds represented by the reduction in the price required under subparagraph (A) to be applied to the marketings of milk by a producer shall be collected and remitted to the Commodity Credit Corporation, at such time and in such manner as prescribed by the Secretary, by each person making payment to a producer for milk purchased from such producer, except that in the case of a producer who markets milk of

the producer's own production directly to consumers, such funds shall be remitted directly to the Corporation by such producer.

"(D)(i) If the funds remitted under subparagraph (C) for any fiscal year exceed the amount of funds necessary to satisfy the requirements of subparagraph (B) for the fiscal year, the Secretary shall refund the excess funds (together with interest determined in accordance with clause (iii)), on a pro rata basis, to producers who marketed in the fiscal year milk for commercial use.

"(ii) If for any fiscal year for which a milk diversion program is in effect under paragraph (7), the level of purchases of milk or the products of milk under this subsection does not exceed 5 billion pounds (milk equivalent on a milkfat basis), less sales under section 407 for unrestricted use, the Secretary shall refund, on a pro rata basis, to producers who marketed milk in the fiscal year for commercial use an amount equal to the difference between—

"(I) the cost, as estimated by the Secretary, of purchasing 5 billion pounds (milk equivalent on a milkfat basis); and

"(II) the sum of the actual cost of purchases by the Commodity Credit Corporation under this subsection for the fiscal year, and the amount, if any, deposited in the Dairy Research Trust Fund under subparagraph (B)(iii);

together with interest as determined in accordance with clause (iii).

"(iii) For purposes of clauses (i) and (ii), interest shall be paid at an annual rate established under section 6621 of the Internal Revenue Code of 1954 for the period beginning forty-five days after the end of the fiscal year involved and ending on a date (to be determined by the Secretary) preceding the date of the refund check by not more than thirty days, whether or not the refund check is accepted by the producer after tender of the refund check to the producer. The acceptance of a refund check shall be without prejudice to any right of the producer to claim any additional refund or interest thereon.

"(E) The funds remitted to the Corporation under this paragraph with respect to a producer, including any funds refunded under subparagraph (D) other than interest paid, shall be considered as included in the payments to the producer for purposes of the minimum price provisions of the Agricultural Adjustment Act, reenacted with amendments by the Agricultural Marketing Agreement Act of 1937."

EXTENSION OF MILK DIVERSION PROGRAM

SEC. 212. (a) Effective October 1, 1985, paragraph (7) of section 201(d) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)(3)), as redesignated by section 211(1), is amended by—

(1) amending subparagraph (A) to read as follows:

"(7)(A)(i) If for any of the fiscal years 1986 through 1990 the level of purchases of milk and the products of milk under this subsection (less sales under section 407 for unrestricted use), as estimated by the Secretary and adjusted in accordance with subclause (III), will exceed five billion pounds (milk equivalent) but will not exceed seven billion pounds (milk equivalent), the Secretary may establish and carry out under this paragraph a milk diversion program for such fiscal year.

"(II) If for any of the fiscal years 1986 through 1990 the level of purchases of milk and the products of milk under this subsection (less sales under section 407 for unrestricted use), as estimated by the Secretary

and adjusted in accordance with subclause (III), will exceed seven billion pounds (milk equivalent), the Secretary shall establish and carry out under this paragraph a milk diversion program for such fiscal year.

"(III) For purposes of adjusting under this clause the estimated level of purchases of milk and the products of milk for a fiscal year, the Secretary shall deduct from such level the net amount (measured in milk equivalent) of all reductions occurring during the period beginning on June 15, 1985, and ending on the first day of such fiscal year, in the quantitative limitations in effect on June 15, 1985, under section 22 of the Agricultural Adjustment Act, reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, with respect to milk and the products of milk imported into the United States. For purposes of determining the amount of such reductions, milk equivalent shall be determined on either a solids-not-fat or milkfat milk equivalent basis, whichever produces a higher milk equivalent.

"(IV) Notwithstanding any other provision of this clause, if the Secretary establishes a milk diversion program for fiscal year 1986 under this paragraph, the program so established shall be carried out for fiscal years 1986 and 1987. Any contract entered into with a producer under the reduced production program formulated under clause (iii) for fiscal years 1986 through 1987 shall require the producer to make an equal reduction in the marketings of milk by the producer in each of such fiscal years.

"(ii) Not later than August 1 preceding any fiscal year for which a milk diversion program may or shall be so established under this paragraph (or August 1, 1985, in the case of a program carried out for fiscal years 1986 and 1987 under clause (i)(IV)) the Secretary shall publish in the Federal Register—

"(I) the estimated level of purchases of milk and products of milk under this subsection (less sales under section 407 for unrestricted use) in such fiscal year if no program is carried out during the year under this paragraph (or in each of fiscal years 1986 and 1987 in the case of a program carried out for fiscal years 1986 and 1987 under clause (i)(IV)); and

"(II) if a milk diversion program is to be established under this paragraph for such fiscal year (or for fiscal years 1986 and 1987 in the case of a program carried out for fiscal years 1986 and 1987 under clause (i)(IV)), notice of the establishment of the program and a detailed description of the nature of the program.

Any milk diversion program so established shall consist of the reduced production program formulated under clause (iii) and the production termination program formulated under clause (iv). The aggregate amount of the reduction, under the milk diversion program so established, in marketings of milk in each fiscal year for which such program is in effect shall be not less than the difference between the level of purchases so estimated and 4 billion pounds (milk equivalent), unless producers decline to enter into contracts to effect such aggregate amount of reduction.

"(iii) For each of the fiscal years 1986 through 1990 for which a milk diversion program will be in effect under this paragraph, the Secretary shall formulate, not later than August 1 preceding such fiscal year, a reduced production program under which the Secretary shall offer to enter into

a contract, at any time before the beginning of such fiscal year, with any producer of milk in the United States for the purpose of reducing the quantity of milk marketed by such producer for commercial use during the contract period. Such contract shall be in effect throughout such fiscal year unless such contract is terminated under subparagraph (E). Each producer of milk in the United States seeking to enter into a contract for diversion payments under this clause shall, before entering into such contract, provide the Secretary with a plan that describes the manner in which the producer intends to achieve the reduction in milk marketings that would be required under such contract, and includes an estimate by the producer of the amount of such reduction that the producer intends to achieve through increased slaughter of dairy cattle (including the approximate number of dairy cattle that will be sold for slaughter during each month of the contract). In setting the terms and conditions of such contracts, the Secretary shall take into account any adverse effect of the reductions in milk production on beef, pork, and poultry producers in the United States and shall take all feasible steps to minimize such effect.

"(iv) For each of the fiscal years 1986 through 1990 for which a milk diversion program will be in effect under this paragraph, the Secretary also shall formulate, not later than August 1 preceding such fiscal year, a production termination program under which the Secretary may offer, at the request of a producer of milk in the United States who submits to the Secretary a bid, to enter into a contract, at any time before November 1 of such fiscal year, with the producer for the purpose of terminating the production of milk by the producer in return for a payment to be made by the Secretary. In setting the terms and conditions of each contract made under this clause, the Secretary shall take into account any adverse effect of such contract, and of all contracts made under this clause, on beef, pork, and poultry producers in the United States and shall take all feasible steps to minimize such effect.

"(v) For any fiscal year for which a milk diversion program under this paragraph is in effect, the Secretary shall determine, before the beginning of such fiscal year, the total number of dairy cattle the Secretary estimates will be marketed for slaughter as a result of such program and shall by regulation specify marketing procedures to ensure that not more than 40 per centum of the number of such dairy cattle that the Secretary estimates will be marketed for slaughter by the producers participating in the program, in excess of the number of dairy cattle such producers would market for slaughter (based on the historical dairy cow herd culling rate) during such fiscal year in the absence of such program, will be so marketed in such fiscal year in the months of October, November, December, January, February, and September. Such procedures also shall ensure that such sales of dairy cattle for slaughter shall occur on a basis estimated by the Secretary that maintains historical marketing patterns. During such fiscal year, the Secretary shall limit the total number of dairy cattle marketed for slaughter under the program in excess of the historical dairy cow herd culling rate to no more than 7 per centum of the national dairy cow herd."

(2) in subparagraph (B)—

(A) striking out "(B) Each such contract" and inserting in lieu thereof "(B)(i) Each

contract made under the program formulated under subparagraph (A)(iii);

(B) redesignating clauses (i), (ii), (iii), and (iv) as subclauses (I), (II), (III), and (IV), respectively; and

(C) in subclause (III), as so redesignated—

(i) striking out "after November 8, 1983" and all that follows through "unless such cattle are sold", and inserting in lieu thereof "during the period beginning August 1 immediately preceding the fiscal year for which such contract is in effect and ending on the last day of such fiscal year (or during the period beginning on August 1, 1985, and ending on September 30, 1987, in the case of a program carried out for fiscal years 1986 and 1987 under subparagraph (A)(i)(IV)), unless, as established by evidence satisfactory to the Secretary (including any sales contract), such cattle are sold in good faith"; and

(ii) striking out "this subsection" and inserting in lieu thereof "the program for such fiscal year";

(D) in subclause (IV), as so redesignated, striking out "this paragraph" each place it appears and inserting in lieu thereof "the contract"; and

(E) adding at the end thereof the following:

"(ii) Each contract made under this program formulated under subparagraph (A)(iv) shall provide that—

"(I) the producer shall sell for slaughter or for export all the dairy cattle in which such producer owns an interest;

"(II) during a period of three, four, or five years specified by the Secretary and beginning on the day the producer completes compliance with subclause (I), the producer shall neither acquire any interest in the production of milk nor acquire, or make available to any person, any milk production capacity of a facility that becomes available because of compliance by any producer with such subclause; and

"(III) if the producer fails to comply with such contract, the producer shall repay to the Secretary the entire payment received under the contract, including simple interest payable at a rate prescribed by the Secretary, which shall, to the extent practicable, reflect the cost to the Corporation of its borrowings from the Treasury of the United States, commencing on the date payment is first received under such contract.";

(3) striking out "this paragraph" in subparagraph (C) and inserting in lieu thereof "under the program formulated under subparagraph (A)(iii)";

(4) in subparagraph (D)—

(A) in clause (i)—

(i) inserting "under a contract made under the program formulated under subparagraph (A)(iii) for a fiscal year" after "any reduction";

(ii) inserting "in such fiscal year," after "marketed" the first place it appears; and

(iii) striking out "the producer has entered into under this paragraph" in subclause (I);

(B) in clause (ii)—

(i) inserting "under a contract made under the program formulated under subparagraph (A)(iii) for a fiscal year" after "any reduction"; and

(ii) striking out "the producer has entered into under this paragraph" in subclause (I); and

(C) in clause (iii), striking out "as of the date of enactment of the Dairy Production Stabilization Act of 1983" and inserting in lieu thereof "throughout the fifteen-month period ending on October 1 of the fiscal

year for which such contract is in effect (or ending on October 1, 1985, in the case of a program carried out under subparagraph (A)(i)(IV) for fiscal years 1986 and 1987)";

(5) in subparagraph (E)—

(A) in the first sentence—

(i) inserting "before November 1 of a fiscal year (or November 1, 1985, in the case of a program carried out for fiscal years 1986 and 1987 under subparagraph (A)(i)(IV))" and "after 'The Secretary may,'";

(ii) inserting "for such fiscal year (or for fiscal years 1986 and 1987 in the case of a program carried out for fiscal years 1986 and 1987 under subparagraph (A)(i)(IV))" after "this paragraph" the first place it appears;

(iii) in clause (i), striking out "there would be an excessive reduction in the level of milk production in the United States" and inserting in lieu thereof "the level of milk marketings in the United States would be reduced in excess of the aggregate amount of the reduction required by subparagraph (A)(ii)";

(iv) striking out "under this paragraph" each place it appears and inserting in lieu thereof "under the program formulated under subparagraph (A)(iii)";

(v) striking out "dairy cattle,"; and

(B) striking out "reduce" in the third sentence and inserting in lieu thereof "lessen"; and

(C) adding at the end thereof the following:

"In acting to lessen the required reduction in milk marketings among all contracts made under the program formulated under subparagraph (A)(iii), the Secretary may apportion changes in the reduction among contracts so as to give preference to any small- or medium-sized producer who requests that the producer's reduction not be lessened. A producer who enters into a contract under subparagraph (A)(iii) may terminate such contract if the Secretary modifies such contract under this subparagraph and if such producer gives written notice of such termination, and returns any payment received under such contract, to the Secretary not later than December 1 of the fiscal year for which such contract is made (or December 1, 1985, in the case of a program carried out for fiscal years 1986 and 1987 under subparagraph (A)(i)(IV)).";

(6) striking out the second sentence in subparagraph (F) and inserting in lieu thereof the following:

"The marketing history, as established by the Secretary, of such producer shall be as follows:

"(i) Except as provided in clause (ii) and clause (iii), the marketing history of the producer shall be the marketings of milk by the producer for commercial use during the one-year period ending on June 30 immediately preceding the fiscal year for which the contract is sought.

"(ii) Except as provided in clause (iii), if the producer participated in a reduced production milk diversion program under this paragraph in effect for the fiscal year preceding the fiscal year for which the marketing history of the producer is being determined, the marketing history shall be the marketing history of the producer for the diversion program for the preceding fiscal year.

"(iii) If a reduced production milk diversion program is in effect under this paragraph for fiscal years 1986 and 1987, and if the producer participated in the milk diversion program carried out under paragraph (3) of this subsection as in effect on Septem-

ber 30, 1985, the marketing history of the producer for each of fiscal years 1986 and 1987 shall be, at the option of the producer—

"(I) the marketings of milk by the producer for commercial use during calendar year 1982, increased by 2.2 per centum; or

"(II) the average annual marketings of milk by the producer during calendar years 1981 and 1982, increased by 2.2 per centum.";

(7) in subparagraph (G), striking out "after December 31, 1982" and inserting in lieu thereof "in the fifteen-month period ending on October 1 of the fiscal year (or October 1, 1985, in the case of a program carried out for fiscal years 1986 and 1987 under subparagraph (A)(i)(IV)) for which the producer is seeking to enter into a contract for diversion payments under this paragraph";

(8) inserting "payable under a contract made under the program formulated under subparagraph (A)(iii)" in subparagraph (I) after "diversion payments";

(9) in subparagraph (J)—

(A) in clause (i), inserting "payable under a contract made under the program formulated under subparagraph (A)(iii)" after "diversion payments" the first place it appears; and

(B) in clause (ii), striking out "under this paragraph" and inserting in lieu thereof "under the program formulated under subparagraph (A)(iii)";

(10) in subparagraph (L), striking out "under this paragraph" and inserting in lieu thereof "under the program formulated under subparagraph (A)(iii)"; and

(11) striking out "paragraph (2)" in subparagraph (N) and inserting in lieu thereof "paragraph (6)".

(b) Effective October 1, 1985, paragraph (9)(B) of section 201(d) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)(5)(B)), as so redesignated by section 212(1), is amended by—

(1) striking out "paragraph (2)" and inserting in lieu thereof "paragraph (6)";

(2) striking out "paragraph (2)(B)" and inserting in lieu thereof "paragraph (6)(C)";

(3) striking out "paragraph (3)" and inserting in lieu thereof "paragraph (7)";

(4) inserting "(i)" after "(B)"; and

(5) adding at the end thereof the following:

"(ii) Each person who buys, from a producer with respect to whom there is in effect at the time of such sale a contract entered into under paragraph (7), one or more dairy cattle sold for slaughter, and who knows that such cattle are sold for slaughter, and who falls to cause the slaughter of such cattle within a reasonable time after receiving such cattle shall be liable for a civil penalty of not more than \$5,000 with respect to each of such cattle."

(c) Paragraph (10) of section 201(d) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)(6)), as so redesignated by section 212(1), is amended by striking out "paragraphs (2) and (3)" and inserting in lieu thereof "paragraphs (6) and (7)".

(d) Section 201(c) of the Agricultural Act of 1949 (7 U.S.C. 1446(c)) is amended by striking out "The price" and inserting in lieu thereof "Except as provided in subsection (d), the price".

(e) Section 201(d) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)) is amended by adding at the end thereof the following:

"(11) The Secretary shall carry out this subsection through the Commodity Credit Corporation."

(f) Notwithstanding section 201(d)(7) of the Agricultural Act of 1949, as added by this title, the Secretary of Agriculture—

(1) shall establish a milk diversion program, and publish the information required by such section, not later than 30 days after the date of the enactment of this Act; and

(2) shall offer to enter into contracts under such program with producers until 60 days after the date of the enactment of this Act;

if a milk diversion program is to be in effect for fiscal year 1986 and if this Act is enacted after August 1, 1985.

APPLICATION OF AMENDMENTS

SEC. 213. The amendments made by this subtitle shall not affect any liability of any person under section 201 of the Agricultural Act of 1949 (7 U.S.C. 1446) as in effect before October 1, 1985.

STUDY RELATING TO CASEIN

SEC. 215. The Secretary of Agriculture shall conduct a study to determine whether imports of casein tend to interfere with or render ineffective the milk price support program of the Department of Agriculture. Not later than 30 days after the date of the enactment of this Act, the Secretary shall report the results of such study to the Committee on Agriculture of the House of Representatives and to the Committee on Agriculture, Nutrition, and Forestry of the Senate.

CONGRESSIONAL EVALUATION OF THE COST OF PRODUCTION SCHEDULE

SEC. 216. It is the sense of Congress that two years after the date of the enactment of this Act the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate should—

(1) determine the value of each of the items specified in the schedule established in section 201(d)(3)(C) of the Agricultural Act of 1949, and the contribution of each of such items to the cost of production referred to in such section, in order to assess the effect of each of such items on the cost of production index and the level of price support for milk determined under section 201(d) of such Act; and

(2) assess the effect of such index on the operation of the milk diversion program provided for in section 201(d)(7) of such Act.

Subtitle B—Dairy Research and Promotion

NATIONAL DAIRY RESEARCH ENDOWMENT INSTITUTE

SEC. 221. Effective October 1, 1985, the Dairy Production Stabilization Act of 1983 (7 U.S.C. 1421 note, et seq.) is amended by adding at the end thereof the following:

"Subtitle C—Dairy Research Program

"DEFINITIONS

"SEC. 130. For purposes of this subtitle—

"(1) the term 'board' means the board of trustees of the Institute;

"(2) the term 'Department' means the Department of Agriculture;

"(3) the term 'dairy products' means manufactured products that are derived from the processing of milk, and includes fluid milk products;

"(4) the term 'fluid milk products' means those milk products normally consumed in liquid form as a beverage;

"(5) the term 'Fund' means the Dairy Research Trust Fund established by section 135;

"(6) the term 'imported' means entered, or withdrawn from warehouse for consumption, in the customs territory of the United States;

"(7) the term 'importer' means a person who imports any dairy product into the United States for commercial use;

"(8) the term 'Institute' means the National Dairy Research Endowment Institute established by section 131;

"(9) the term 'milk' means any class of cow's milk marketed in the United States;

"(10) the term 'person' means any individual, group of individuals, partnership, corporation, association, cooperative, or any other entity;

"(11) the term 'producer' means any person engaged in the production of milk for commercial use;

"(12) the term 'research' means studies testing the effectiveness of market development and promotion efforts, studies relating to the nutritional value of milk and dairy products, and other related efforts to expand demand for milk and dairy products;

"(13) the term 'Secretary' means the Secretary of Agriculture unless the context specifies otherwise; and

"(14) the term 'United States' means the several States and the territories and possessions of the United States, except that for purposes of sections 131, 133(a), and 136, and paragraphs (6), (7), and (9) of this section, such term means the forty-eight contiguous States in the continental United States.

"ESTABLISHMENT OF NATIONAL DAIRY RESEARCH ENDOWMENT INSTITUTE

"SEC. 131. There is hereby established in the Department of Agriculture a National Dairy Research Endowment Institute whose function shall be to aid the dairy industry through the implementation of the dairy products research order, which its board of trustees shall administer, and the use of monies made available to its board of trustees from the Dairy Research Trust Fund to implement the order. In implementing the order, the Institute shall provide a permanent system for funding scientific research activities designed to facilitate the expansion of markets for milk and dairy products marketed in the United States. The Institute shall be headed by a board of trustees composed of the members of the National Dairy Promotion and Research Board. The board may appoint from among its members an executive committee whose membership, other than importers, shall reflect equally each of the different regions in the United States in which milk is produced. The executive committee shall have such duties and powers as are delegated to it by the board. The members of the board shall serve without compensation. While away from their homes or regular places of business in the performance of services for the board, members of the board shall be allowed reasonable travel expenses, including a per diem allowance in lieu of subsistence, as recommended by the board and approved by the Secretary, except that there shall be no duplication of payment for such expenses.

"ISSUANCE OF ORDER

"SEC. 132. (a) After the effective date of this subtitle and not later than thirty days after receipt of a proposed dairy products research order, the Secretary shall publish such proposed order in the Federal Register and shall give notice and reasonable opportunity for public comment on such proposed order. Such proposed order may be submitted by an organization certified under section 114 or by any interested person affected by the provisions of subtitle B.

"(b) After the Secretary complies with the requirements of subsection (a), the Secre-

tary shall issue a dairy products research order. The order shall become effective not later than ninety days after publication in the Federal Register of the proposed order.

"(c) The Secretary may amend, from time to time, the dairy products research order issued under subsection (b).

"REQUIRED TERMS OF ORDER; AGREEMENTS UNDER ORDER; RECORDS

"SEC. 133. (a) The dairy products research order issued under section 132(b) shall—

"(1) provide for the establishment and administration, by the Institute, of appropriate scientific research activities designed to facilitate the expansion of markets for dairy products marketed in the United States;

"(2) specify the powers of the board, including the powers to—

"(A) receive and evaluate, or on its own initiative develop and budget for, research plans or projects designed to—

"(i) increase the knowledge of human nutritional needs and the relationship of milk and dairy products to these needs;

"(ii) improve dairy processing technologies, particularly those appropriate to small- and medium-sized family farms;

"(iii) develop new dairy products; and

"(iv) appraise the effect of such research on the marketing of dairy products;

"(B) make recommendations to the Secretary regarding such plans and projects;

"(C) administer the order in accordance with its terms and provisions;

"(D) make rules and regulations to effectuate the terms and provisions of the order;

"(E) receive, investigate, and report to the Secretary complaints of violations of the order;

"(F) recommend to the Secretary amendments to the order;

"(G) enter into agreements, with the approval of the Secretary, for the conduct of activities authorized under the order and for payment of the cost of such activities with any monies in the Fund other than monies deposited in the Fund by the Secretary;

"(H) with the approval of the Secretary, establish advisory committees composed of individuals other than members of the board, and pay the necessary and reasonable expenses and fees of the members of such committees; and

"(I) with the approval of the Secretary, appoint or employ such persons, other than members of the board, as the board deems necessary and define the duties and determine the compensation of each;

"(3) specify the duties of the board, including the duties to—

"(A) develop, and submit to the Secretary for approval before implementation, any research plan or project to be carried out under this subtitle;

"(B) submit to the Secretary for approval budgets, on a fiscal year basis, of the board's anticipated expenses and disbursements in the administration of the order, including projected costs of carrying out dairy products research plans and projects;

"(C) prepare and make public, at least annually, a report of the board's activities and an accounting for funds received and expended by the board;

"(D) maintain such books and records (which shall be available to the Secretary for inspection and audit) as the Secretary may prescribe;

"(E) prepare and submit to the Secretary, from time to time, such reports as the Secretary may prescribe; and

"(F) account for the receipt and disbursement of all funds entrusted to the board;

"(4) prohibit any monies received under this subtitle by the board to be used in any manner for the purpose of influencing governmental policy or actions, except as provided in paragraph (2)(F);

"(5) during fiscal years 1986 and 1987, require each importer to pay, in the manner prescribed by the order, an assessment to the Secretary, at a rate determined by the Secretary from time to time under subsection (d) and based on the number of hundredweights of milk having 3.67 percent milkfat contained in the quantity of dairy products imported into the United States in such fiscal years for commercial use by such importer; and

"(6) require that each person receiving milk from producers for commercial use, any person marketing milk of that person's own production directly to consumers, and each importer maintain and make available for inspection by the Secretary such books and records as may be required by the order and file with the Secretary reports at the time, in the manner, and having the content prescribed by the order.

"(b) Any agreement made under subsection (a)(2)(G) shall provide that—

"(1) the person with whom such agreement is made shall develop and submit to the board a research plan or project together with a budget that shows estimated costs to be incurred to carry out such plan or project;

"(2) such plan or project shall become effective on the approval of the Secretary; and

"(3) such person shall keep accurate records of all of its transactions, account for funds received and expended, make periodic reports to the board of activities conducted to carry out such plan or project, and submit such other reports as the Secretary or the board may require.

"(c)(1) Information, books, and records made available to, and reports filed with, the Secretary under subsection (a)(6) shall be kept confidential by all officers and employees of the Department, except that such information, books, records, and reports as the Secretary deems relevant may be disclosed by such officers and employees in any suit or administrative proceeding that is brought at the request of the Secretary or to which the Secretary or any officer of the United States is a party, and that involves the order issued under section 132(b).

"(2) Paragraph (1) shall not be construed to prohibit—

"(A) the issuance of general statements, based on such information, books, records, and reports, of the number of persons subject to the order or of statistical data collected from such persons if such statements do not specifically identify the data furnished by any one of such persons; or

"(B) the publication, at the direction of the Secretary, of the name of any person violating the order, together with a statement of the particular provisions of the order violated by the person.

"(3) No information obtained under the authority of this section may be made available to any agency, officer, or employee of the United States for any purpose other than the implementation of this subtitle and any investigatory or enforcement action necessary to implement this subtitle. Any person who violates this paragraph, on conviction, shall be subject to a fine of not more than \$1,000, or to imprisonment for

not more than one year, or both, and, if such person is employed by the board or the Department, shall be terminated from such employment.

"(d) The rate of the assessment per hundredweight of milk required to be paid under an order issued under section 132(b) by importers shall be equal to that part of the amount of any reduction in the price per hundredweight received by producers for milk, in effect under section 201(d)(6)(B) of the Agricultural Act of 1949, that is attributable to satisfying the requirement of clause (iii) of section 201(d)(6)(B).

"PETITION AND REVIEW; ENFORCEMENT; INVESTIGATIONS

"SEC. 134. The provisions of sections 118, 119, and 120 shall apply, except when inconsistent with this subtitle, to the Institute, the board, the persons subject to the order issued under section 132(b), the jurisdiction of district courts of the United States, and the authority of the Secretary under this subtitle in the same manner as such sections apply with respect to subtitle B.

"DAIRY RESEARCH TRUST FUND

"SEC. 135. (a) There is hereby established in the Treasury of the United States a trust fund to be known as the 'Dairy Research Trust Fund'.

"(b)(1) Monies shall be deposited in the Fund by the Secretary in accordance with section 201(d)(6)(B)(iii) of the Agricultural Act of 1949. The Secretary shall also deposit in the Fund monies received under section 133(a)(5) from importers.

"(2) If no monies are so deposited for a fiscal year in accordance with section 201(d)(6)(B)(iii), then the Secretary shall transfer from monies available to the Commodity Credit Corporation, and deposit in the Fund, \$50,000,000 for such fiscal year.

"(3) Monies deposited in the Fund under paragraph (1) or (2) shall be invested by the Secretary of the Treasury in obligations of the United States or any agency thereof, in general obligations of any State or any political subdivision thereof, in any interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System, or in obligations fully guaranteed as to principal and interest by the United States. Interest, dividends, and other payments that accrue from such investments shall be deposited in the Fund and also shall be so invested, subject to subsection (c).

"(c) Monies in the Fund, other than monies deposited or transferred under paragraph (1) or (2) of subsection (b), shall be available to the board, in such amounts, and for such activities authorized by this subtitle, as the Secretary may approve.

"TERMINATION OF ORDER, INSTITUTE, AND FUND

"SEC. 136. (a) After September 30, 1991, the Secretary, whenever the Secretary finds that the order issued under this subtitle or any provision of such order obstructs or does not tend to facilitate the expansion of markets for milk and dairy products marketed in the United States, shall terminate or suspend the operation of the order or such provision.

"(b) If the Secretary terminates the order, the Institute shall be dissolved 180 days after the termination of the order.

"(c) If the Institute is dissolved for any reason, the monies remaining in the Fund shall be disposed of as shall be agreed to by the board and the Secretary.

"ADDITIONAL AUTHORITY

"SEC. 137. (a) No provision of this subtitle shall be construed to preempt or supersede

any other program relating to milk or dairy products research organized and operated under the laws of the United States or any State.

"(b) The provisions of this subtitle applicable to the order issued under section 132(b) shall be applicable to any amendment to the order."

DAIRY PROMOTION PROGRAM

Sec. 222. (a) Section 110(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501(b)) is amended by inserting "and dairy products imported into" after "produced in" each place it appears.

(b) Section 111 of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4502) is amended by—

(1) redesignating paragraphs (a) through (f) as paragraphs (1) through (6), respectively;

(2) redesignating paragraphs (g) through (l) as paragraphs (9) through (14), respectively; and

(3) inserting after paragraph (6), as so redesignated, the following new paragraphs:

"(7) the term 'imported' means entered, or withdrawn from warehouse for consumption, in the customs territory of the United States;

"(8) the term 'importer' means a person who imports any dairy product into the United States for commercial use;"

(c) Section 113 of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504) is amended by—

(1) in subsection (b)—

(A) in the first sentence, striking out "thirty-six" and inserting in lieu thereof "thirty-seven";

(B) in the second sentence, striking out "Members" and inserting in lieu thereof "Except as provided in the following sentence, members";

(C) in the third sentence, striking out "such" and inserting in lieu thereof "producer"; and

(D) inserting after the second sentence the following:

"One or more members of the Board shall be importers appointed by the Secretary from nominations submitted by importers in the manner authorized by the Secretary. The number of importers to be appointed to the Board shall be determined by the Secretary on a proportional basis, taking into account the number of hundredweights of milk contained in the quantity of dairy products imported into the United States for commercial use during a representative period, except that not fewer than one importer shall be appointed to the Board."

(2) in subsection (g)—

(A) inserting after the first sentence the following:

"The order shall also provide that each importer shall remit to the Board, in the manner prescribed by the Board, an assessment based on the number of hundredweights of milk contained in the quantity of dairy products imported into the United States for commercial use by such importer;" and

(B) in the third sentence, inserting ", in the case of dairy products other than milk," after "or"; and

(3) in the first sentence of subsection (k), striking out "farmers for commercial use" and inserting in lieu thereof "producers for commercial use, each importer".

(d) Section 116(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4507(b)) is amended by—

(1) inserting "and importers" after "producers" each place it appears; and

(2) in the last sentence, inserting ", or the importation of dairy products into the United States," after "the production of milk".

(e) The amendments made by this section shall take effect on October 1, 1985.

Subtitle C—Milk Marketing Orders

MINIMUM ADJUSTMENTS TO PRICES FOR FLUID MILK UNDER MARKETING ORDERS

SEC. 231. (a) Section 8c(5)(A) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)(A)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by adding at the end the following: "Throughout the 2-year period beginning on the effective date of this sentence (and subsequent to such 2-year period unless modified by amendment to the order involved), the minimum aggregate amount of the adjustments, under clauses (1) and (2) of the preceding sentence, to prices for milk of the highest use classification under orders that are in effect under this section on the date of the enactment of the Dairy Unity Act of 1985 shall be as follows:

"Marketing Area Subject to Order	Minimum Aggregate Amount of Such Adjustments Per Hundred-weight of Milk Having 3.5 Per Centum Milkfat
New England.....	3.24
New York-New Jersey.....	3.14
Middle Atlantic.....	3.03
Georgia.....	3.08
Alabama-West Florida....	3.08
Upper Florida.....	3.58
Tampa Bay.....	3.88
Southeastern Florida.....	4.18
Michigan Upper Peninsula.....	1.35
Southern Michigan.....	1.75
Eastern Ohio-Western Pennsylvania.....	1.95
Ohio Valley.....	2.04
Indiana.....	2.00
Chicago Regional.....	1.40
Central Illinois.....	1.61
Southern Illinois.....	1.92
Louisville-Lexington-Evansville.....	2.11
Upper Midwest.....	1.20
Eastern South Dakota....	1.50
Black Hills, South Dakota.....	2.05
Iowa.....	1.55
Nebraska-Western Iowa..	1.75
Greater Kansas City.....	1.92
Tennessee Valley.....	2.77
Nashville, Tennessee.....	2.52
Paducah, Kentucky.....	2.39
Memphis, Tennessee.....	2.77
Central Arkansas.....	2.77
Fort Smith, Arkansas.....	2.77
Southwest Plains.....	2.77
Texas Panhandle.....	2.49
Lubbock-Plainview, Texas.....	2.49
Texas.....	3.28
Greater Louisiana.....	3.28
New Orleans-Mississippi..	3.85
Eastern Colorado.....	2.73
Western Colorado.....	2.00
Southwestern Idaho.....	1.50
Eastern Oregon.....	1.50
Great Basin.....	1.90
Lake Mead.....	1.60
Central Arizona.....	2.52
Rio Grande Valley.....	2.35

Puget Sound-Inland..... 1.85
Oregon-Washington..... 1.95

Effective at the beginning of such two-year period, the minimum prices for milk of the highest use classification shall be adjusted for the locations at which delivery of such milk is made to such handlers."

(b) The amendment made by this section shall take effect on the first day of the first month beginning more than 120 days after the date of the enactment of this Act.

ADJUSTMENTS FOR SEASONAL PRODUCTION; HEARINGS ON AMENDMENTS; DETERMINATION OF MILK PRICES

SEC. 232. Effective October 1, 1985, section 101(b) of the Agriculture and Food Act of 1981 (7 U.S.C. 608c note) is amended by striking out "and shall terminate December 31, 1985".

COOPERATIVE ASSOCIATION REPRESENTATION

SEC. 233. Effective October 1, 1985, the second sentence of section 8c(17) of the Agricultural Adjustment Act (7 U.S.C. 608c(17)), as added by section 101 of the Agriculture and Food Act of 1981 and made effective for the period beginning January 1, 1986, and ending December 31, 1990 under section 132, is amended by striking out "not".

MARKETWIDE SERVICE PAYMENTS

SEC. 234. Effective October 1, 1985, section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by adding at the end thereof the following:

"(J) Providing for the payment, from the total sums payable by all handlers for milk (irrespective of the use classification of such milk) and before computing uniform prices under paragraph (A) and making adjustments in payments under paragraph (C), to handlers that are cooperative marketing associations described in paragraph (F) and to handlers with respect to which adjustments in payments are made under paragraph (C), for services of marketwide benefit, including but not limited to—

"(i) providing facilities to furnish additional supplies of milk needed by handlers and to handle and dispose of milk supplies in excess of quantities needed by handlers;

"(ii) handling on specific days quantities of milk that exceed the quantities needed by handlers; and

"(iii) transporting milk from one location to another for the purpose of fulfilling requirements for milk of a higher use classification or for providing a market outlet for milk of any use classification."

STATUS OF PRODUCER HANDLERS

SEC. 235. The legal status of producer handlers of milk under the provisions of the Agricultural Adjustment Act, reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, shall be the same after the amendments made by this title take effect as it was before the effective date of such amendments.

Subtitle D—National Commission on Dairy Policy

FINDINGS AND DECLARATION OF POLICY

SEC. 241. (a) Congress finds that—
(1) the Federal program established to support the price of milk marketed by producers in the United States was created to provide price and income protection for milk producers as well as to assure consumers of an adequate supply of milk and dairy products at reasonable prices;

(2) the milk production industry in the United States is composed primarily of

small- and medium-sized family farm operations;

(3) consumers in the United States benefit financially from a milk price support program that prohibits large fluctuations in the price and supply of milk and dairy products;

(4) consumers in the United States also benefit financially from the current structure of the domestic milk production industry; and

(5) the Office of Technology Assessment, in its report entitled "Technology, Public Policy, and the Changing Structure of American Agriculture", found that larger milk production operations already enjoy a major advantage in the production of milk and that, under current Federal policy, the development and use of new technologies will permit a continued trend toward fewer and larger milk production operations throughout the country.

(b) It is hereby declared to be the policy of Congress to respond to the development of new technologies in the domestic milk production industry by reviewing the present milk price support program and its alternatives, and by adopting such policies as are needed to prevent significant surplus production in the future while ensuring that the current small- and medium-sized family farm structure of such industry will be preserved for new generations of producers and consumers alike.

ESTABLISHMENT OF COMMISSION

SEC. 242. (a) There is hereby established in the executive branch a National Commission on Dairy Policy, which shall study and make recommendations concerning the future operation of the Federal program established to support the price of milk marketed by producers in the United States.

(b) The Commission shall be composed of eighteen members who are engaged in the commercial production of milk in the United States, to be appointed by the Secretary of Agriculture. Not fewer than twelve members shall be appointed from nominations submitted to the Secretary by the following Members of Congress, after consultation with the other Members of Congress who sit on the specified committee of the respective House of Congress:

(1) The Chairman of the Committee on Agriculture of the House of Representatives.

(2) The ranking minority member of the Committee on Agriculture of the House of Representatives.

(3) The Chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(4) The ranking minority member of the Committee on Agriculture, Nutrition, and Forestry of the Senate.

Each such Member of Congress shall make not fewer than eighteen such nominations for appointment to the Commission, but not more than two such nominations for any particular vacancy on the Commission. The Secretary shall appoint not fewer than three individuals from among the nominations submitted by each such Member of Congress. Each member of the Commission shall represent a milk-producing region of the United States. A region may be made up of more than one State and may be represented by more than one member of the Commission. In making such appointments, the Secretary shall take into account, to the extent practicable, the geographical distribution of milk production volume throughout the United States. In determining geo-

graphical representation, whole States shall be considered as a unit.

(c) A vacancy on the Commission shall be filled in the manner in which the original appointment was made.

(d) The Commission shall elect a chairman from among the members of the Commission.

(e) The Commission shall meet at the call of the chairman or a majority of the members of the Commission.

STUDY AND RECOMMENDATIONS

Sec. 243. (a) The National Commission on Dairy Policy shall study—

(1) the current Federal price support program for milk;

(2) alternatives to such program;

(3) the future functioning of such program;

(4) new technologies that will become a part of the milk production industry before the end of this century;

(5) the effect that developing technologies will have on surplus milk production; and

(6) the future structure of the milk production industry.

In conducting such study, the Commission shall consider, among other things, how effective the current Federal price support program for milk will be in preventing significant surpluses of dairy products in the future, how well such program will respond to the challenges to the family farm structure of the milk production industry created by developing technologies, and whether or not a better response to those challenges could be achieved through modifications or revisions of current Federal policy.

(b) On the basis of its study, the Commission shall make findings and develop recommendations for consideration by the Secretary of Agriculture and Congress with respect to the future operation of the Federal price support program for milk.

(c) The Commission shall submit to the Secretary of Agriculture and Congress, not later than March 31, 1987, a report containing the results of its study and recommendations based on such results.

ADMINISTRATION

Sec. 244. (a) The heads of executive agencies, the General Accounting Office, the Office of Technology Assessment, and the Congressional Budget Office, to the extent permitted by law, shall provide to the National Commission on Dairy Policy such information as the Commission may require to carry out its duties and functions.

(b) Members of the Commission shall serve without compensation for work on the Commission. While away from their homes or regular places of business in the performance of duties of the Commission, members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law for persons serving intermittently in the Government service under section 5703 of title 5 of the United States Code.

(c) To the extent there are sufficient funds available to the Commission in advance under section 245, and subject to such rules as may be adopted by the Commission, the Commission, without regard to the provisions of title 5 of the United States Code governing appointments in the competitive service and without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to the classification and General Schedule pay rates, may—

(1) appoint and fix the compensation of a director; and

(2) appoint and fix the compensation of such additional personnel as the Commission determines necessary to assist it to carry out its duties and functions.

(d) On the request of the Commission, the heads of executive agencies, the General Accounting Office, and the Office of Technology Assessment may furnish the Commission with such personnel and support services as the head of the agency or office, and the chairman of the Commission agree are necessary to assist the Commission to carry out its duties and functions. The Commission shall not be required to pay or reimburse any agency or office for personnel and support services provided under this subsection.

(e) The Commission shall be exempt from sections 7(d), 10(e), 10(f), and 14 of the Federal Advisory Committee Act (5 U.S.C. App.).

(f) The Commission shall be exempt from the requirements of sections 4301 through 4305 of title 5 of the United States Code.

FINANCIAL SUPPORT

Sec. 245. (a) Following the appointment or designation of the members of the National Commission on Export Policy, notwithstanding the provisions of section 1342 of title 31 of the United States Code, the Secretary of Agriculture may receive on behalf of the Commission, from persons, groups, and entities within the United States, contributions of money and services to assist the Commission to carry out its duties and functions. Any money contributed under this section shall be made available to the Commission to carry out this subtitle. In no event may the Secretary accept an aggregate amount of contributions from any one person, group, or entity exceeding 10 percent of the budget of the Commission.

(b) If the contributions under subsection (a) are insufficient to carry out this subtitle, the Secretary of Agriculture may transfer to the Commission, from funds available to the Commodity Credit Corporation, an amount not to exceed \$1,000,000 to carry out this subtitle.

TERMINATION OF COMMISSION

Sec. 246. The National Commission on Dairy Policy shall cease to exist thirty days following the submission of its report to the Secretary of Agriculture and Congress.

Subtitle E—Miscellaneous

TRANSFER OF DAIRY PRODUCTS TO THE MILITARY AND VETERANS HOSPITALS

Sec. 251. Subsections (a) and (b) of section 202 of the Agricultural Act of 1949 (7 U.S.C. 1446a) are each amended by striking out "1985" and inserting in lieu thereof "1990".

EXTENSION OF THE DAIRY INDEMNITY PROGRAM

Sec. 252. Section 3 of the Act entitled "An Act to provide indemnity payments to dairy farmers" (7 U.S.C. 4501), approved August 13, 1968, is amended by striking out "1985" and inserting in lieu thereof "1990".

Page 12, insert at the end of line 19 the following:

If a milk marketing base program is in effect under paragraph (11) for fiscal years 1986 through 1990, then paragraphs (2) through (7) shall not apply with respect to such fiscal years.

Page 35, after line 12, insert the following: "(11)(A) Not later than 30 days after the date of the enactment of the Dairy Unity Act of 1985, the Secretary shall conduct a referendum, by secret ballot, of milk producers in the United States to determine whether producers favor the implementation, during fiscal years 1986 through 1990,

of the national milk marketing base program described in this paragraph.

"(B) Any person who is engaged in the production of milk for commercial use, in the 30-day period ending on the date the referendum is conducted is eligible to vote in the referendum. No person may vote on behalf of a milk producer.

"(C) If the Secretary determines that not less than 60 per centum of the milk producers voting in the referendum favor the national milk marketing base program described in this paragraph, then during fiscal years 1986 through 1990—

"(i) the program shall be in effect;

"(ii) paragraphs (2) through (7) of this subsection shall not be in effect; and

"(iii) the level of price support per hundredweight of milk having 3.67 per centum milkfat shall be—

"(I) 63 per centum of the parity price for milk for fiscal years 1986 and 1987; and

"(II) 70 per centum of the parity price for milk for fiscal years 1988, 1989, and 1990.

"(D)(i) For each fiscal year during which the national milk marketing base program is in effect, the Secretary shall determine individual milk marketing bases of milk producers.

"(ii) For a fiscal year and subject to subparagraph (E), each milk producer shall have a milk marketing base equal to the product of—

"(I) 99 per centum of the producer's milk marketing history; and

"(II) the milk marketing allocation factor for the fiscal year; but not to exceed 99 per centum of the milk marketing history.

"(E)(i) In addition to any amount of marketing base determined for a producer under subparagraph (D), a producer shall have any amount of marketing base transferred to the producer under clause (iii) by the county committee.

"(ii) There shall be available for a fiscal year to the county committee for transfer among producers in accordance with clause (iii) an aggregate amount of milk marketing base equal to the sum of—

"(I) a pro rata share of the product of the allocation factor and 1 per centum of the aggregate of the milk marketing histories determined for the fiscal year for all producers in the United States,

"(II) if the production allocation factor for the fiscal year exceeds 100 per centum, a pro rata share of the product of the percentage of the allocation factor in excess of 100 per centum and the aggregate amount of the milk marketing histories determined for the fiscal year for all producers; and

"(III) the product of the allocation factor and any amount of milk marketing history of a producer in the county who does not engage throughout the fiscal year in the production of milk and who does not transfer such amount under clause (v) to another person.

"(iii) Subject to clause (iv) and to the extent practicable, the county committee shall transfer any milk marketing base available under clause (ii) to the committee among producers, in accordance with such rules as the Secretary shall issue.

"(iv) Not less than 25 per centum of the amount of milk marketing base available under subclauses (II) and (III) of clause (ii) shall be available for transfer by the county committee to milk producers who, as determined by the committee, demonstrate a need for additional base as a result of unusual or special circumstances, except that no additional base may be transferred under this clause to a producer, other than a

family unit, who has a base exceeding 1,000,000 pounds (milk equivalent).

"(v) A producer may transfer the producers' marketing to any person by devise, sale, or lease of the farm on which is located the milk production facility owned by the producer. Except as provided in the preceding sentence, no producer may transfer a marketing history by sale, lease, exchange, or other means.

"(vi) The State director of the Agricultural Stabilization and Soil Conservation Service shall select an Appeal Committee composed of 5 milk producers who are members of county committees. The Appeal Committee will be responsible for the prompt hearing and judgment of appeals of base determinations and base transfers made under this paragraph.

"(vii) Any action taken by a county committee or the Appeal Committee under this paragraph is subject to disapproval by the Secretary.

"(F) In any fiscal year for which a national milk marketing base program is in effect under this paragraph, no milk producer may market for commercial use any quantity of milk of his own production in excess of the milk marketing base established under this paragraph for the producer for the fiscal year.

"(G) Any milk producer who violates subparagraph (F) shall be liable for a civil penalty, to be assessed by the Secretary after reasonable notice and opportunity for a hearing on the record, equal to the product of—

"(i) 75 per centum of the level of price support per hundredweight of milk having 3.67 per centum milkfat in effect for the fiscal year in which such violation occurs; and

"(ii) the quantity of milk (measured in hundredweights) with respect to which such violation occurs.

The Secretary may waive or reduce such penalty if the Secretary determines that the severity of such violation does not warrant the full payment of such penalty.

"(H) Any milk producer against whom a civil penalty is assessed, under subparagraph (G) may obtain review of such States by filing a civil action in such court not later than 30 days after such penalty is assessed. As part of the Secretary's answer, the Secretary shall file in such court a certified copy of the record upon which the findings and decision complained of are based. The findings of the Secretary may be set aside only if found to be unsupported by substantial evidence.

"(I) The district courts of the United States shall have jurisdiction to review and enforce any civil penalty assessed under subparagraph (G).

"(J) Civil penalties collected under this paragraph shall be available to the Secretary for expenditure without fiscal year limitation to carry out the Food for Peace Act of 1966, to the extent provided in advance in appropriations Acts.

"(K) For purposes of this paragraph—

"(i) the term 'milk marketing allocation factor' means the ration of (I) the aggregate quantity of milk, as estimated by the Secretary, necessary to satisfy domestic consumption and exports of milk and the products of milk in the fiscal year (II) to the aggregate quantity of milk produced in the United States in the fiscal year;

"(ii) the term 'county committee' means a county committee established under the Soil Conservation and Domestic Allotment Act;

"(iii) the term 'family member' means a spouse or child; and

"(iv) the term 'milk marketing history' means the average annual quantity of milk marketed by a producer for commercial use in the period of 5 fiscal years (excluding the fiscal year in which the largest quantity is marketed and the fiscal year in which the smallest quantity is marketed) ending on September 30 preceding the fiscal year for which the milk marketing base is being determined. For any period in such 5 fiscal years during which the producer participated in the milk diversion program under this subsection as in effect before the date of the enactment of the Dairy Unity Act of 1985, the marketings of milk by the producer shall be deemed to be equal to the marketings of milk by the producer in the corresponding period of the marketing history determined under such diversion program.

"(iii) Each milk producer and each county committee shall provide to the Secretary such information and records as the Secretary may require by rule to permit the Secretary to determine the milk marketing base of the producer.

"(L) The Secretary shall devise administrative methods to ensure the effective operation of this paragraph.

"(M) The price of milk shall be supported through the purchase of milk and the products of milk.

Page 35, line 13, strike out "(11)" and insert in lieu thereof "(12)".

Page 38, strike out line 13 and all that follows through line 11 on page 50.

Page 50, line 13, strike out "Sec. 222." and insert in lieu thereof "Sec. 221.".

By Mr. OLIN:

—Amend the table of contents of the bill by striking out the matter relating to title II and inserting in lieu thereof the following:

TITLE II—DAIRY

SUBTITLE A—MILK PRICE SUPPORT

Sec. 211. Level of milk price support for fiscal years 1986 through 1990.

Sec. 212. Application of amendments.

Sec. 213. Avoidance of adverse impact of dairy diversion program on beef, pork, and lamb producers.

Sec. 214. Study relating to casein.

SUBTITLE B—MILK MARKETING ORDERS

Sec. 221. Adjustments for seasonal production; hearings on amendments; determination of milk prices.

Sec. 222. Cooperative association representation.

Sec. 223. Status of producer handlers.

SUBTITLE C—NATIONAL COMMISSION ON DAIRY POLICY

Sec. 231. Findings and declaration of policy.

Sec. 232. Establishment of Commission.

Sec. 233. Study and recommendations.

Sec. 234. Administration.

Sec. 235. Financial support.

Sec. 236. Termination of Commission.

SUBTITLE D—MISCELLANEOUS

Sec. 241. Transfer of dairy products to the military and veterans hospitals.

Sec. 242. Extension of the dairy indemnity program.

—Page 12, strike out line 4 and all that follows through line 2 on page 36, and insert in lieu thereof the following:

Sec. 201. This title may be cited as the "Responsible Dairy Act of 1985".

SUBTITLE A—MILK PRICE SUPPORT

LEVEL OF MILK PRICE SUPPORT FOR FISCAL YEARS 1986 THROUGH 1990

Sec. 211. Effective October 1, 1985, section 201(d) of the Agricultural Act of 1949 (7 U.S.C. 1446(d)) is amended to read as follows:

"(d)(1) In order to achieve a balance between milk production and the availability of milk and milk products to consumers at reasonable prices, to protect producers and consumers from disruptive fluctuations in the prices of milk and milk products, and to provide that benefits of increased productivity in milk production resulting from new production techniques are shared with consumers, the price of milk shall be supported in fiscal years 1986 through 1990 as provided in this subsection. Notwithstanding any other provision of law and except as provided in paragraphs (2) and (3), during the period beginning on October 1, 1985, and ending on September 30, 1990, the price of milk shall be supported at the level of \$11.60 per hundredweight of milk having 3.67 per centum milkfat.

"(2)(A) On January 1, 1986, if the Secretary estimates that in the 12-month period beginning on such date purchases of milk and the products of milk under this subsection (less sales under section 407 for unrestricted use) will exceed 10 billion pounds (milk equivalent) in the absence of a reduction in the level of price support for milk, then the level of price support in effect for such period shall be \$11.10 per hundredweight of milk having 3.67 per centum milkfat.

"(B) On January 1 of each of the years 1987, 1988, 1989, and 1990, if the Secretary estimates that in the 12-month period beginning on such date purchases of milk and the products of milk under this subsection (less sales under section 407 for unrestricted use) will exceed 5 billion pounds (milk equivalent) in the absence of an additional reduction in the level of price support for milk, then the level of price support in effect for such period per hundredweight milk having 3.67 per centum milkfat shall be 50 cents less than the level of price support in effect immediately before such date.

"(C) On January 1 of each of the years 1987, 1988, 1989, and 1990, if the Secretary estimates that in the 12-month period beginning on such date and under the level of price for milk in effect immediately before such date, purchases of milk and the products of milk under this subsection (less sales under section 407 for unrestricted use) will not exceed 2 billion pounds (milk equivalent), then the level of price support in effect for such period per hundredweight milk having 3.67 per centum milkfat shall be 50 cents greater than the level of price support in effect immediately before such date.

Page 36, line 4, strike out "Sec. 213." and insert in lieu thereof "Sec. 212.".

Page 36, line 10, strike out "Sec. 214." and insert in lieu thereof "Sec. 213.".

Page 37, line 11, strike out "Sec. 215." and insert in lieu thereof "Sec. 214.".

Page 37, strike out line 19 and all that follows through line 7 on page 54.

Page 54, after line 7, insert the following:

"SUBTITLE B—MILK MARKETING ORDERS"

Page 55, line 3, strike out "Sec. 232." and insert in lieu thereof "Sec. 221.".

Page 55, line 8, strike out "Sec. 233." and insert in lieu thereof "Sec. 222.".

Page 55, strike out line 14 and all that follows through line 12 on page 56.

Page 56, line 14, strike out "Sec. 235." and insert in lieu thereof "Sec. 223."

Page 56, line 20, strike out "Subtitle D" and insert in lieu thereof "Subtitle C."

Page 56, line 22, strike out "Sec. 241." and insert in lieu thereof "Sec. 231."

Page 58, line 7, strike out "Sec. 242." and insert in lieu thereof "Sec. 232."

Page 60, line 2, strike out "Sec. 243." and insert in lieu thereof "Sec. 233."

Page 61, line 8, strike out "Sec. 244." and insert in lieu thereof "Sec. 234."

Page 62, line 25, strike out "Sec. 245." and insert in lieu thereof "Sec. 235."

Page 63, line 18, strike out "Sec. 246." and insert in lieu thereof "Sec. 236."

Page 63, line 21, strike out "Subtitle E" and insert in lieu thereof "Subtitle D."

Page 63, line 24, strike out "Sec. 251." and insert in lieu thereof "Sec. 241."

Page 64, line 4, strike out "Sec. 252." and insert in lieu thereof "Sec. 242."

By Mr. ROBERTS:

—Title X, page 239, after line 19 insert the following:

"Sec. 1029. Notwithstanding any other provision of law no person shall be entitled to program benefits, loans, purchases, or payments under one or more of the annual programs established under the Agricultural Act of 1949, for wheat, feed grains, upland cotton, extra long staple cotton, and rice unless said person receives 50 percent of their annual gross income from the production and sale of such crops or livestock."

—Page 275, lines 6 through 11, amend section 1141 to read as follows:

LIMITATION ON REQUIREMENTS

Sec. 1141. Section 5 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c) is amended by adding at the end thereof the following: "Export activities of the Corporation under this Act and activities of the Corporation or the Department of Agriculture to promote the export of agricultural commodities under any other Act shall not be subject to cargo preference requirements, except to the extent otherwise required for exports under the Agricultural Trade Development and Assistance Act of 1954."

—Page 275, lines 6 through 11, amend section 1141 to read as follows:

"LIMITATION ON OCEAN FREIGHT DIFFERENTIAL

"Sec. 1141. Notwithstanding any other provision of law, the cargo preference laws shall not apply to the export of agricultural commodities arranged by or through the Commodity Credit Corporation under the authority of section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(f)), or any other law, to the extent that ocean freight charges for such exports are more than 25 percent higher (than would otherwise be the case) by reason of a requirement that the commodities be transported in United States-flag vessels."

—Page 275, lines 6 through 11, amend section 1141 to read as follows:

"LIMITATION ON OCEAN FREIGHT DIFFERENTIAL

"Sec. 1141. Notwithstanding any other provision of law, the cargo preference laws shall not apply to the export of agricultural commodities arranged by or through the Commodity Credit Corporation under the authority of section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(f)), or any other law, to the extent that ocean freight charges for such exports are more than \$10 per metric ton higher (than would otherwise be the case) by reason of a requirement that the commodities be transported in United States-flag vessels."

—Page 110, strike out line 1, and all that follows thereafter through page 124, line 14, and insert in lieu thereof the following:

TITLE VA—PRODUCER-APPROVED WHEAT, FEED GRAIN, AND SOYBEAN PROGRAMS

REFERENDA, PRODUCTION ACREAGES, AND MINIMUM LOAN RATES FOR THE 1986 THROUGH 1990 CROPS OF WHEAT, FEED GRAINS, AND SOYBEANS

Sec. 551. Effective only for the 1986 through 1990 crops, the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended by adding at the end thereof a new title V as follows:

"TITLE V—REFERENDA, PRODUCTION ACREAGES, AND MINIMUM LOAN RATES FOR THE 1986 THROUGH 1990 CROPS OF WHEAT, FEED GRAINS, AND SOYBEANS

"WHEAT, FEED GRAIN, AND SOYBEAN REFERENDA

Sec. 501. (a) The Secretary shall conduct a referendum by secret ballot of wheat, feed grain, and soybean producers every two years to determine whether they favor or oppose the national farm acreage payment program under this title. In the case of the 1986 and 1987 crops, the referendum shall be conducted as soon as practicable after enactment of the Food Security Act of 1985, but not later than February 1, 1986. For the 1988 and 1989 crops, the referendum shall be conducted not later than July 1, 1987, and for the 1990 crop year not later than July 1, 1989.

"(b) Any producer on a farm with a wheat, feed grain, or soybean crop acreage base of fifteen or more acres for the then current crop, as determined under title VI, shall be eligible to vote in a referendum. For the purposes of this section, the term 'producer' shall include any person who is entitled to share in a crop of the commodity, or the proceeds thereof, because the person shares in the risks of production of the crop as an owner, landlord, tenant, or sharecropper. A landlord whose return from the crop is fixed regardless of the amount of the crop produced shall not be considered a producer.

"(c) The Secretary shall proclaim the results of any referendum held hereunder within fifteen days after the date of such referendum, and if the Secretary determines that 60 per centum or more of the producers of wheat, feed grains, and soybeans (including 50 per centum or more of the producers of each of the following commodities: wheat, feed grains, and soybeans) voting in the referendum in favor of the implementation of a national farm acreage payment program, the Secretary shall proclaim that a national farm acreage payment program will be in effect for the crops of wheat, feed grains, and soybeans produced for harvest in—

"(1) with respect to the referendum held not later than February 1, 1986, the 1986 and 1987 crops of wheat, feed grains, and soybeans;

"(2) with respect to the referendum held not later than July 1, 1987, the 1988 and 1989 crops of wheat, feed grains, and soybeans; and

"(3) with respect to the referendum held not later than July 1, 1989, the 1990 crops of wheat, feed grains, and soybeans.

"(d) In the event that a national farm acreage payment program is approved for the 1986 crops of wheat, feed grains, and soybeans, the Secretary shall provide fair and equitable compensation to producers who planted a crop in excess of their farm program acreage prior to the proclamation

by the Secretary that the program will be in effect with respect to that crop. Such compensation shall cover, at a minimum, the costs incurred by the producer for planting such crop, as determined by the Secretary.

"(e) If a national farm acreage payment program is not approved by producers in a referendum conducted under this section with respect to any crop of wheat, feed grains, or soybeans, in lieu of a national farm acreage payment program for that crop, the Secretary shall provide such loans, purchases, payments, and other assistance to producers of wheat, feed grains, and soybeans as provided for elsewhere in this Act.

"PAYMENTS TO PRODUCERS

"Sec. 502. (a) The Secretary shall make available to producers payments for each of the 1986 through 1990 crops of wheat, feed grains, and soybeans in an amount as provided in this subsection. Payments for any farm shall be computed by multiplying (1) the payment rate, by (2) the smaller of (A) the number of acres in the farm acreage base for the farm or (B) 2,000 acres.

"(b) The payment rate shall be—

"(1) for the 1986 crops of wheat, feed grains, soybeans, \$50; and

"(2) for the 1987 through 1990 crops of such commodities, not less than 95 per centum of the previous year's rate and not more than the 1986 rate.

"(c)(1) The Secretary shall make payments under this section during the calendar year corresponding to the crop year for which such payment is made, taking into account market conditions, the availability of credit to producers, and the need of producers for enhanced cash flow. In no event shall payments under this section be made later than October 1 of such calendar year.

"(2) The Secretary may adjust the payment rate under subsection (b) between commodities, taking into account such factors as the relationship between the historical price levels of such commodities.

"(d) As a condition of eligibility for loans and payments under this title—

"(1) the producers on a farm shall limit the number of acres planted to wheat, feed grains, and soybeans during a crop year on such farm to the number of acres that is equal to the farm acreage base for such farm for the 1986 crop year; and

"(2) the producers on a farm shall participate in any acreage limitation program—

"(A) in the case of wheat, announced under section 107D(e)(1), except that for the 1986 crop of wheat acreage on a farm planted to wheat for harvest will be limited to the wheat crop acreage base for the farm for the crop reduced by a total of 20 percent and thereafter shall be subject to the discretion of the Secretary;

"(B) in the case of feed grains announced under section 103(i)(4)(A), except that for the 1986 crop of feed grains acreage on a farm planted to feed grains for harvest will be limited to the feed grain crop acreage base for the farm for the crop reduced by a total of 10 percent and thereafter shall be subject to the discretion of the Secretary; or

"(C) in the case of soybeans, a program which the Secretary may establish comparable to the program announced for wheat under section 107D(e)(1) of this Act, except that the reduction in the soybean acreage base shall be subject to the discretion of the Secretary.

"(e) If the failure of a producer to comply fully with the terms and conditions of the program conducted under this section precludes the making of loans, purchases, and

payments, the Secretary may, nevertheless, make such loans, purchases, and payments in such amounts as the Secretary determines to be equitable in relation to the seriousness of the failure. The Secretary may authorize the county and State committees established under section 8(b) of the Soil Conservation and Domestic Allotment Act to waive or modify deadlines and other program requirements in cases in which lateness or failure to meet such other requirements does not affect adversely the operation of the program.

"LOANS TO PRODUCERS"

"Sec. 503. The Secretary shall make available to producers loans for each of the 1986 through 1990 crops of wheat, feed grains, and soybeans at a level, for each such crop of such commodity, equal to—

"(1) in the case of the 1986 and 1987 crops, 75 per centum of the simple average price received by farmers for such commodity for each of the preceding five marketing years, excluding the high and low valued years, and

"(2) in the case of the 1988 through 1990 crops, 70 per centum of the simple average price received by farmers for such commodity for each of the preceding five marketing years, excluding the high and low valued years.

The Secretary shall make a preliminary announcement of the level of price support not earlier than thirty days in advance of the beginning of the marketing year for which such level applies based upon the latest information and statistics available when such level of price support is announced, and shall make a final announcement of such level as soon as full information and statistics are available on prices for the five years preceding the beginning of the marketing year. In no event shall such final level of support be announced later than the first day of the second month of the marketing year for which the announcement applies; nor shall the final level of support be less than the level of support set forth in the preliminary announcement.

"MISCELLANEOUS PROVISIONS"

"Sec. 504. (a) The Secretary may issue such regulations as the Secretary determines necessary to carry out the provisions of this title.

"(b) The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

"(c) The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (relating to assignment of payments) shall apply to payments under this title.

"(d) The Secretary shall provide for the sharing of payments made under this section for any farm among the producers on the farm on a fair and equitable basis, and shall, to the extent practicable, ensure that owners and renters of land are treated equitably under this title."

—Page 124, after line 10, insert the following:

"REGULATION AND ENFORCEMENT"

"Sec. 508. The Secretary shall establish a separate entity within the Department of Agriculture to carry out the responsibilities of the Secretary under this title, including regulation, monitoring, and enforcement of this title.

Page 124, line 12, strike out "508" and insert in lieu thereof "509".

—Page 275, lines 6 through 11, amend section 1141 to read as follows:

TRANSFER OF RESPONSIBILITIES

Sec. 1141. (a) Section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(f)) is amended to read as follows:

"(f) Export or cause to be exported, or aid in the development of foreign markets for, agricultural commodities; except that no funds or assets of the Corporation may be used to pay for, or otherwise finance, the ocean freight charges for any such export to the extent that such charges are higher than would otherwise be the case by reason of a requirement that the commodity be transported in United States-flag vessels."

(b) Notwithstanding any other provision of law, the Department of Defense shall pay the ocean freight charges for the export of agricultural commodities arranged by or through the Commodity Credit Corporation under the authority of section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(f)), or other law, to the extent that such charges are higher (than would otherwise be the case) by reason of a requirement that the commodities be transported in United States-flag vessels. There are authorized to be appropriated to the Department of Defense, for each fiscal year after fiscal year 1985, such sums as may be necessary to pay the ocean freight charges paid in accordance with the preceding sentence by the Department of Defense during such year.

—Page 275, lines 6 through 11, amend section 1141 to read as follows:

TRANSFER OF RESPONSIBILITIES

Sec. 1141. (a) Section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(f)) is amended to read as follows:

"(f) Export or cause to be exported, or aid in the development of foreign markets for, agricultural commodities; except that no funds or assets of the Corporation may be used to pay for, or otherwise finance, the ocean freight charges for any such export to the extent that such charges are higher than would otherwise be the case by reason of a requirement that the commodity be transported in United States-flag vessels."

(b) Notwithstanding any other provision of law, the Maritime Administration shall pay the ocean freight charges for the export of agricultural commodities arranged by or through the Commodity Credit Corporation under the authority of section 5(f) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(f)), or other law, to the extent that such charges are higher (than would otherwise be the case) by reason of a requirement that the commodities be transported in United States-flag vessels. There are authorized to be appropriated to the Department of Commerce, for each fiscal year after fiscal year 1985, such sums as may be necessary to pay the ocean freight charges paid in accordance with the preceding sentence by the Maritime Administration during such year.

By Mr. ROSTENKOWSKI:

—Page 110, strike out line 1 and all that follows through page 124, line 14.

—Page 322, strike out lines 17 through 21.

By Mr. ROTH:

—Page 274, after line 18 insert the following:

TRADE LIBERALIZATION

Sec. 1132. (a) Congress finds that—

(1) the present high level of agricultural protectionism contrasts sharply with the general trade liberalization that has been achieved since the inception of the General

Agreement on Tariffs and Trade (hereinafter referred to as "GATT");

(2) GATT procedures should explicitly recognize the protective effect of domestic subsidies that alter trade indirectly by reducing the demand for imports and increasing the supply of exports;

(3) current rules make a distinction between primary and manufactured products, and this allows for agricultural export subsidies;

(4) the rule that permits export subsidies on primary products that do not result in inequitable market shares has proven to be unworkable; and

(5) a unified treatment of tariffs and subsidies would clarify trading rules for market participants and simplify trade negotiations.

(b) It is the sense of Congress that the President should negotiate with other parties to GATT to revise GATT rules so that agricultural export subsidies would be treated the same as tariffs and primary products the same as manufactured products.

—In the table of contents in section 2 of the bill, insert after the item relating to section 1131 the following new item:

Sec. 1132. Trade liberalization.

By Mr. ROBERT F. SMITH:

—Page 56, after line 19, insert the following new section:

STATE MILK MARKETING PROGRAMS

Sec. 236. Section 8(c)(5) of the Agricultural Adjustment Act, as amended and reenacted by the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 608c(5)), is amended by adding at the end thereof the following new paragraph:

"(k) Nothing contained in this subsection is intended or shall be construed to prevent a State that administers a State milk marketing program from—

"(i) being paid the net proceeds due the producers participating in the program;

"(ii) blending or pooling the net proceeds due the producers in accordance with a system established by the State; or

"(iii) distributing the net proceeds to the producers in accordance with the system, regardless of whether or not the system includes a plan based on milk classified as class I milk under paragraph (A)."

—Page 110, strike out line 1 and all that follows thereafter through page 124, line 14, and insert in lieu thereof the following:

TITLE VA—PRODUCER-APPROVED
WHEAT, FEED GRAIN, COTTON,
RICE, AND SOYBEAN PROGRAMS

REFERENDA FOR THE 1987 THROUGH 1990 CROPS
OF WHEAT, FEED GRAINS, COTTON, RICE, AND
SOYBEANS

Sec. 551. Effective only for the 1986 through 1990 crops, the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended by adding at the end thereof a new title V as follows:

"TITLE V—REFERENDA FOR THE 1987
THROUGH 1990 CROPS OF WHEAT,
FEED GRAINS, COTTON, RICE, AND
SOYBEANS

"WHEAT, FEED GRAIN, COTTON, RICE, AND
SOYBEAN REFERENDA

"Sec. 501. (a) The Secretary shall conduct a referendum by secret ballot of wheat, feed grain, cotton, rice, and soybean producers February 1, 1986 to determine whether they favor or oppose the agricultural programs set forth in sections 107D, 105C, 103(i), 101(j), and 201(g) of this Act. This vote shall be applicable to the 1987, 1988, 1989, and

1990 crops of wheat, feed grain, upland cotton, rice, and soybeans.

"(b) Any producer on a farm with a wheat, feed grain, cotton, rice, or soybeans crop acreage base of fifteen or more acres for the then current crop, as determined under title VI, shall be eligible to vote in a referendum. For the purposes of this section, the term 'producers' shall include any person who is entitled to share in a crop of the commodity, or the proceeds thereof, because the person shares in the risks of production of the crop as an owner, landlord, tenant, or sharecropper. A landlord whose return from the crop is fixed regardless of the amount of the crop produced shall not be considered a producer.

"(c) The Secretary shall proclaim the results of the referendum held hereunder within fifteen days after the date of such referendum. If the Secretary determines that 60 per centum or more of the producers of wheat, feed grain, cotton, rice, and soybeans (including 50 per centum or more of the producers of each of the following crops: wheat, feed grain, cotton, rice, and soybeans) vote against continuing the agricultural programs set forth in sections 107D, 105C, 103(i), 101(j), and 201(g) of this Act, then such sections shall have no effect for the 1987 through 1990 crops of such commodities.

"(d) If voters in the referendum vote against continuing the agricultural programs set forth in sections 107D, 105C, 103(i), 101(j), and 201(g) of this Act as set forth in subsection (c), the Secretary shall provide such loans, purchases, payments, and other assistance to producers of wheat, feed grain, cotton, rice, and soybeans as provided for elsewhere in this Act.

"REGULATIONS

"Sec. 502. The Secretary may issue such regulations as the Secretary determines necessary to carry out this title."

—Page 113, line 4, strike out "producers of wheat and feed grains" and insert in lieu thereof "producers of wheat, feed grains, livestock, pork, and poultry".

—Page 56, after line 19, insert the following new section:

STATE MILK MARKETING PROGRAMS

Sec. 236. Section 8c(5) of the Agricultural Adjustment Act, as amended and reenacted by the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 608c(5)), is amended by adding at the end thereof the following new paragraph:

"(k) Nothing contained in this subsection is intended or shall be construed to prevent a State that administers a State milk marketing program from—

"(i) being paid the net proceeds due the producers participating in the program;

"(ii) blending or pooling the net proceeds due the producers in accordance with a system established by the State; or

"(iii) distributing the net proceeds to the producers in accordance with the system,

regardless of whether or not the system includes a plan based on milk classified as class I milk under paragraph (A)."

By Mrs. SMITH of Nebraska:

—On page 274, line 19, strike Subtitle D and all that follows therein and insert in lieu thereof the following:

"Subtitle D—Transportation Charges for Waterborne Cargoes of Donated Commodities

"LIMITATION ON REQUIREMENTS

"Sec. 1141. Section 5 of the Commodity Credit Corporation Charter Act (15 U.S.C.

714c) is amended by adding at the end thereof the following: 'Export activities of the Corporation under this Act and activities of the Corporation or the Department of Agriculture to promote the export of agricultural commodities under any other Act shall not be subject to cargo preference requirements.'

By Ms. SNOWE:

—Page 379, line 21, strike out "(5)" and insert "(7)" in lieu thereof.

Page 380, line 14, after "system," insert "(5) an assessment of how economic policies and trade policies of the United States affect the financial operation of, and prospects for, family farm operations, (6) an assessment of the effect of Federal farm programs and policies on family farms and non-family farms which (A) derive the majority of their income from non-farm sources, and (B) derive the majority of their income from farming operations."

—Page 437, after line 2, insert the following:

POTATO INSPECTION

Sec. 1805. The Secretary of Agriculture, in order to achieve a significant reduction in the volume of substandard imported Canadian potatoes entering through ports of entry in the northeastern United States, shall require the Agricultural Marketing Service to perform random spot checks in accordance with other law and on a continuing basis on a significant portion of potatoes entering through those ports of entry. The Secretary of Agriculture shall periodically report to the public and to the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives the results of such spot checks and increase their frequency or take other actions as necessary to achieve and maintain the significant reduction of such substandard imported potatoes.

—Page 509, after line 13, insert the following:

POTATO ADVISORY COMMISSION

Sec. 1896. It is the sense of Congress that—

(1) the Secretary of Agriculture should take actions based on the recommendations of the potato advisory committee established by the Secretary on an ad hoc basis:

(2) such actions should address industry concerns including trade, quality inspections, and pesticide use;

(3) such committee should meet biannually; and

(4) the recommendations and actions of such committee should be reported to the Chairman of the Committee on Agriculture, Nutrition, and Forestry of the Senate and the Committee on Agriculture of the House of Representatives, and to the public.

By Mr. STANGELAND:

—Title VII, page 144, line 13, insert "A" after "(1)"; and page 145, after line 10 insert the following:

"(B)(i) The Secretary may make available recourse loans to producers during each of the five marketing years for rice beginning with the marketing year for the 1986 crop, at such level per bushel—not less than 75 per centum nor more than 85 per centum of the simple average price per hundredweight received by farmers (as determined by the Secretary) during the immediately preceding five marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period—as the Secretary determines will encourage the exportation of rice and not result in excessive stocks of

rice after taking into consideration the cost of producing rice, supply and demand conditions, and world prices for rice. The level of rice loans and purchases for a marketing year, including the marketing year for the 1986 crop of rice may not be established under the foregoing formula at a level that is less than 95 per centum of the level of loans and purchases for the preceding marketing year. The simple average price received by farmers for the immediately preceding marketing year shall be based on the latest information available to the Secretary at the time of the determination. The maximum term for any loan under this paragraph shall be ten months beginning on the first day of the month in which the loan is made.

(ii) A producer may repay a loan made under this subparagraph (B) at a level (per hundredweight) that is the lesser of—

"(i) the original loan level; or

"(ii) at any time through the date of maturity of the loan that the producer redeems the rice under loan—

"(I) the then current State monthly weighted average market price (per hundredweight) for the rice, as adjusted for each county in the State, received by farmers, as determined by the Secretary; or

"(II) the then current State weekly or daily weighted average market price (per hundredweight) for the rice, as adjusted for each county in the State, received by farmers, as determined by the Secretary, if the Secretary determines that it is administratively feasible and reduces the fluctuation in the repayment market price for producers.

—Title VI, page 124, line 25, insert "A" after "(1)"; and page 127, after line 9 insert the following:

"(B)(i) The Secretary may make available recourse loans to producers during each of the five marketing years for cotton beginning with the marketing year for the 1986 crop, at such level per bushel—not less than 75 per centum nor more than 85 per centum of the simple average price per pound received by farmers (as determined by the Secretary) during the immediately preceding five marketing years, excluding the year in which the average price was the highest and the year in which the average price was the lowest in such period—as the Secretary determines will encourage the exportation of cotton and not result in excessive stocks of cotton after taking into consideration the cost of producing cotton supply and demand conditions, and world prices for cotton. The level of cotton loans and purchases for a marketing year, including the marketing year for the 1986 crop of cotton may not be established under the foregoing formula at a level that is less than 95 per centum of the level of loans and purchases for the preceding marketing year. The simple average price received by farmers for the immediately preceding marketing year shall be based on the latest information available to the Secretary at the time of the determination. The maximum term for any loan under this paragraph shall be ten months beginning on the first day of the month in which the loan is made.

(ii) A producer may repay a loan made under this subparagraph (B) at a level (per pound) that is the lesser of—

"(i) the original loan level; or

"(ii) at any time through the date of maturity of the loan that the producer redeems the cotton under loan—

"(I) the then current State monthly weighted average market price (per pound)

for the cotton, as adjusted for each county in the State, received by farmers, as determined by the Secretary; or

"(II) the then current State weekly or daily weighted average market price (per pound) for the cotton, as adjusted for each county in the State, received by farmers, as determined by the Secretary, if the Secretary determines that it is administratively feasible and reduces the fluctuation in the repayment market price for producers.

By Mr. TALLON:

—Page 374, strike out line 12 and all that follows through line 17 of page 376 and insert in lieu thereof the following:

SEC. 1445. (a) The Secretary of Health and Human Services shall jointly conduct an assessment of existing scientific literature and research, respecting—

(1) the relationship between dietary cholesterol and blood cholesterol and human health and nutrition, and

(2) dietary calcium and its importance in human health and nutrition.

In conducting the assessments under this subsection, the Secretaries shall consult with agencies of the Federal Government involved in related research. Upon completion of such assessments the Secretaries shall each recommend such further studies as the Secretaries consider useful.

(b) The Secretary of Agriculture and the Secretary of Health and Human Services shall each submit to the House Committees on Agriculture and Energy and Commerce and the Senate Committees on Agriculture, Nutrition and Forestry and Labor and Human Resources a report on the results of the assessment conducted under subsection (a) and any recommendations made under such subsection, including a protocol, feasibility assessment, budget estimates and a timetable for such research as each Secretary shall deem appropriate.

—Page 374, strike out line 12 and all that follows through line 17 of page 376 and insert in lieu thereof the following:

SEC. 1445. (a) The Secretary of Agriculture and the Secretary of Health and Human Services shall jointly conduct an assessment of existing scientific literature and research, respecting—

(1) the relationship between dietary cholesterol and blood cholesterol and human health and nutrition, and

(2) dietary calcium and its importance in human health and nutrition.

In conducting the assessments under this subsection, the Secretaries shall consult with agencies of the Federal Government involved in related research. Upon completion of such assessments the Secretaries shall recommend such further studies as the Secretaries consider useful.

(b) The Secretary of Agriculture and the Secretary of Health and Human Services shall submit to the House Committees on Agriculture and Energy and Commerce and the Senate Committees on Agriculture, Nutrition and Forestry and Labor and Human Resources a report on the results of the assessment conducted under subsection (a) and any recommendations made under such subsection including budget estimates and a timetable for such research.

By Mr. TAUKE:

—Page 508, after line 20 insert:

The President shall conduct a study of the use of fuel containing lead additives in gasoline engines which—

(1) are used in agricultural machinery, and

(2) are designed to combust fuel containing such additives.

The study shall analyze any mechanical problems (including but not limited to valve recession) which may be associated with the use of other fuels in such engines.

(b) For purposes of the study, the appropriate agency designated by the President is authorized to enter into such contracts under applicable law and other arrangements as may be appropriate to obtain the necessary technical information. All testing of engines carried out for purposes of such study shall be reflective of actual agricultural conditions to the extent practicable, including revolutions per minute and pay-lows.

The President shall publish in the Federal Register not later than January 1, 1987, their proposed findings pursuant to such study. After notice and opportunity for hearing, but not later than January 1, 1988, Mr. President shall submit to Congress a final report containing the results of the study under this section, together with any public comments received and recommendations on the need for lead additives in gasoline to be used by agricultural machinery.

(d) The Secretary of Agriculture shall specify the types and items of agricultural machinery to be covered by the study under this Act.

By Mr. TOWNS:

—Page 332, after line 21 insert the following new section:

CONTINUATION OF SMALL FARMER TRAINING AND TECHNICAL ASSISTANCE PROGRAM

SEC. 1317. The Secretary of Agriculture shall maintain at substantially current levels the small farmer training and technical assistance program in the office of the Administrator of the Farmers' Home Administration.

—Page 332 after line 21, insert the following:

NONSUPERVISED ACCOUNTS

SEC. 1317. Section 312 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1942) is amended by adding at the end the following:

"(e) Notwithstanding any other provision of this title, the Secretary shall reserve at least 10 percent of any loan made under this subtitle to be placed in a nonsupervised bank account which may be used at the discretion of the borrower for necessary family living needs or purposes not inconsistent with previously agreed upon farming or ranching plans. If the borrower exhausts this reserve, the Secretary may review and adjust the farm plan with the borrower and consider rescheduling the loan, extending additional credit, the use of income proceeds to pay necessary farm, and home and other expenses, or additional available loan servicing."

—Page 322, after line 21, insert the following:

PROMPT APPROVAL OF LOANS AND LOAN GUARANTEES

SEC. 1317. (a) Subtitle D of the Consolidated Farm and Rural Development Act is amended by inserting after section 333 (7 U.S.C. 1983) the following new section:

"SEC. 333A. (a)(1) The Secretary shall approve or disapprove the application for a loan or loan guarantee made under this title, and notify the applicant of such action, within forty-five days after the Secretary has received a completed application for such loan or guarantee.

"(2) If an application for a loan or loan guarantee under this title is incomplete, the Secretary shall inform the applicant of the reasons such application is incomplete

within five days after the Secretary has received such application.

"(3) If an application for a loan or loan guarantee under this title is disapproved by the Secretary, the Secretary shall state the reasons for the disapproval in the notice required under paragraph (1).

"(b) If an application for an insured loan under this title is approved by the Secretary, the Secretary shall provide the loan proceeds to the applicant within five days (or such longer period as the applicant may approve) after the application for the loan is approved by the Secretary, except that, if the Secretary is unable to provide the loan proceeds to the applicant within such five-day period because sufficient funds are not available to the Secretary for such purpose, the Secretary shall provide the loan proceeds to the applicant as soon as practicable (but in no event five days unless the applicant agrees to a longer period) after sufficient funds for that purpose become available to the Secretary.

"(c) If an application for a loan or loan guarantee under this title is disapproved by the Secretary, but such action is subsequently reversed or revised as the result of an appeal within the Department of Agriculture or to the courts of the United States and the application is returned to the Secretary for further consideration, the Secretary shall act on the application and provide the applicant with notice of the action within five days after return of the application to the Secretary.

"(d) If the Secretary fails to comply with subsection (a), (b), or (c) on an application for a loan or loan guarantee that is approved by the Secretary, the Secretary shall—

"(1) for insured loans, reduce the interest payments due on the loan, or

"(2) for loan guarantees, make payments on behalf of the borrower to cover interest due to the lender on the loan, in an amount calculated by multiplying the outstanding principal of the loan by that part of the annual rate of interest being charged for the loan that bears the same proportion to the full annual rate of interest as the period during which the Secretary was not in compliance with such subsection bears to a full year.

"(e) Upon receipt of an application for a loan or loan guarantee under this title, the Secretary shall inform the applicant of the requirements of this section."

(b) The amendment made by subsection (a) shall be effective with respect to applications for loans or loan guarantees under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) received by the Secretary of Agriculture after the date of enactment of this Act.

—Page 232, after line 21, insert the following:

FARM PROGRAMS APPEALS

SEC. 1318. Subtitle D of the Consolidated Farm and Rural Development Act is amended by inserting after section 333A (as added by section 1317(a) of this Act) the following new section:

SEC. 333B. (a) The Secretary shall provide an applicant for or borrower of a loan or loan guarantee under this title who has been directly and adversely affected by a decision of the Secretary taken under this Act (hereinafter in the section referred to as the "appellant") with the right to written notice, an opportunity for an informal meeting, and an opportunity for a hearing on the record, with respect to such decision, in ac-

cordance with regulations promulgated by the Secretary consistent with this section.

"(b) Within ten days of such adverse decision, the Secretary shall provide the appellant with written notice of the decision, the opportunity for an informal meeting and formal hearing, and the procedure to appeal such decision (including any deadlines for filing appeals).

"(c)(1) An appellant shall have the right to—

"(A) access to the personal file of the appellant maintained by the Secretary, including a reasonable opportunity to inspect and reproduce the file at an office of the Farmers Home Administration located in the area of the appellant; and

"(B) representation by an attorney or nonattorney at an inspection and reproduction of files under clause (A), an informal meeting under subsection (d), and a formal hearing under subsection (e).

"(2) The Secretary may charge an appellant for any reasonable costs incurred in reproducing files under paragraph (1)(A).

"(d)(1) In order to provide an opportunity for parties to reconsider and resolve differences over decisions referred to in subsection (a) and to minimize the need for formal appeals of such decisions, the Secretary shall establish procedures for informal meetings between appellants and officials of the Farmers Home Administration to discuss such decisions.

"(2) In establishing procedures for an informal meeting between an appellant and official concerning a decision of the Secretary, the Secretary shall—

"(A) require the appellant and official to conduct an informal meeting, or to waive such meeting in accordance with clause (E), before a formal hearing may be conducted under subsection (e) on such decision;

"(B) preserve the rights of the appellant to further review under this section;

"(C) require completion of the informal meeting process (including notice of any reconsidered decision required under clause (F)) within thirty days after notice of the original adverse decision provided to the appellant under subsection (b);

"(D) provide for the direct involvement in the informal meeting of the official who originally made the decision and, if such official is a county supervisor of an office, the district director of the office;

"(E) permit a waiver of the informal meeting if the appellant and official agree that such process would likely not avoid a formal appeal under subsection (e); and

"(F) require the Secretary to provide the appellant with written notice of any reconsidered decision of the Secretary reached after such informal meeting or waiver and, in the case of an adverse reconsidered decision, the reasons therefor.

"(3) If an appellant and official agree to waive an informal meeting under paragraph (2)(E) with respect to a decision of the Secretary, the Secretary shall notify the appellant of the right of the appellant to a formal hearing on the decision under subsection (e).

"(4) For the purpose of an appeal, a reconsidered decision reached by the Secretary under paragraph (2)(E) shall become the record of the Secretary with respect to the original decision made by the Secretary.

"(e)(1) If an informal meeting is conducted or waived under subsection (d) with respect to the decision of the Secretary under this title and the reconsidered decision reached under subsection (d)(2)(E) remains adverse to the appellant, the appellant may

request a hearing on such reconsidered decision before an administrative law judge appointed under section 3105 of title 5, United States Code, by filing a complaint with the Secretary with twenty days of notice of such reconsidered decision.

"(2) The Secretary may submit an answer to a complaint filed under paragraph (1).

"(3)(A) A hearing under this subsection shall take place within thirty days of the filing of the complaint of the appellant.

"(B) Such hearing shall be held at a Farmers Home Administration Office located in—

"(i) the State in which the appellant resides or in which the farmland of the appellant is located; or

"(ii) an adjacent State if the office in the adjacent State is no more than five hundred miles from the location at which the appellant resides or the farmland of the appellant is located.

"(C) Evidence at such hearing may include the complaint of the appellant, the answer of the Secretary, the notice of any reconsidered decision, and any testimony by any official of the Farmers Home Administration, the appellant, and any relevant expert, except that affidavits by such official, appellant, and expert may be substituted for direct testimony when agreed to by the parties or allowed by the administrative law judge.

"(D) Such hearing shall be tape recorded and a transcript of such hearing shall be made available at cost upon the request of any party to the proceeding.

"(4)(A) The administrative law judge shall decide all questions of fact and law in a proceeding brought under the subsection and shall uphold, reverse, or modify the reconsidered decision of the Secretary.

"(B) The decision of the administrative law judge shall be final unless appealed pursuant to subsection (f).

"(5) Within ten days of the hearing, both parties to the proceeding shall be provided with a copy of the decision of the administrative law judge setting forth all findings of fact and reasons for the decision.

"(6) The Secretary shall report and make available to the public—

"(A) a decision of an administrative law judge reached under this subsection; and

"(B) a description of any subsequent action taken by the Secretary pursuant to subsection (f).

"(f)(1) If a party is aggrieved by the decision of an administrative law judge under subsection (e), such aggrieved party may request a review of the decision within ten days of the issuance of such decision.

"(2) Upon such request, the Secretary shall review the decision of the administrative law judge and make a determination on the record to modify, uphold, or reverse such decision.

"(3) The Secretary shall make such review and determination within twenty days of the request for review.

"(4) Such determination shall be the final administrative determination subject to judicial review."

By Mr. VOLKMER:

—Page 110, strike out line 1 and all that follows thereafter through page 124, line 14, and insert the following new title:

TITLE VA—PRODUCER-APPROVED WHEAT AND FEED GRAIN PROGRAMS

REFERENDA AND QUOTAS, PRODUCTION ACREAGES, MARKETING CERTIFICATES, AND MINIMUM LOAN RATES FOR THE 1986 THROUGH 1991 CROPS OF WHEAT AND FEED GRAINS

SEC. 551. Effective only for the 1986 through 1991 crops, the Agricultural Act of 1949 (7 U.S.C. 1461 et seq.) is amended by adding at the end thereof a new title V as follows:

"TITLE V—REFERENDA AND QUOTAS, PRODUCTION ACREAGES, MARKETING CERTIFICATES, AND MINIMUM LOAN RATES FOR THE 1986 THROUGH 1991 CROPS OF WHEAT AND FEED GRAINS

"Subtitle A—Findings and Policy; Consumer Safeguards

"FINDINGS AND POLICY

"Sec. 501. (a) Congress finds that—

"(1) wheat and feed grains are essential agricultural commodities for the Nation, are produced throughout the United States by hundreds of thousands of farmers, and along with their products flow in substantial amounts through instrumentalities of interstate and foreign commerce from producers to consumers;

"(2) abnormally excessive and abnormally deficient supplies of wheat and feed grains on the country-wide market acutely and directly affect, burden, and obstruct interstate and foreign commerce; and

"(3) interstate and foreign commerce in wheat and feed grains, and their products, should be protected from burdensome surpluses and disruptive shortages, a supply of the commodities should be maintained to meet domestic consumption needs and export demand, and soil and water resources of the Nation should not be squandered in the production or surplus burdensome supplies of the commodities.

"(b) It is hereby declared to be the policy of Congress that it is in the interest of the general welfare to assist in the marketing of wheat and feed grains for domestic consumption and export; to regulate interstate and foreign commerce in the commodities to the extent necessary to provide an orderly, adequate, and balanced flow of the commodities in interstate and foreign commerce; and to provide loans and other means to maintain farm income for producers of the commodities, reduce excess production, and enable consumers to obtain an adequate and steady supply of such commodities at fair prices.

"CONSUMER SAFEGUARDS

"Sec. 502. The powers conferred under this title shall not be used to discourage the production of supplies of food and animal feed sufficient to meet normal domestic and export needs, as determined by the Secretary. In carrying out the purposes of this title, the Secretary shall give due regard to the maintenance of a continuous and stable supply of agricultural commodities from domestic production adequate to meet consumer demand at prices fair both to producers and consumers.

"SUBTITLE B—PRODUCER-APPROVED WHEAT AND FEED GRAIN PROGRAM

"PROCLAMATION OF WHEAT AND FEED GRAIN MARKETING QUOTAS

"Sec. 511. (a) Whenever prior to April 15 in any calendar year the Secretary determines that the total supply of wheat or feed grains, or both, in the marketing years for such commodities beginning in the next suc-

ceeding calendar year, in the absence of a marketing year program, will likely be excessive, the Secretary shall proclaim that a national marketing quota for wheat or a national marketing quota for feed grains, as the case may be, or marketing quotas for both, shall be in effect for such marketing years and for the marketing years for the next crop of such commodities. In the case of the marketing years for the 1986 and 1987 crops of such commodities, such determination and proclamation shall be made as soon as practicable after the enactment of the Food Security Act of 1985, but not later than January 1, 1986.

"(b) If a national marketing quota for wheat or feed grains has been proclaimed for any marketing year, the Secretary shall determine and proclaim the amount of the national marketing quota for such marketing year not earlier than January 1 nor later than April 15 of the calendar year preceding the year in which such marketing year begins, except that in the case of the marketing years for the 1986 and 1987 crops, such determination and proclamation shall be made as soon as practicable after the enactment of the Food Security Act of 1985, but not later than January 1, 1986. The amount of the national marketing quota for wheat or feed grains for any marketing year shall be an amount of wheat or feed grains that the Secretary estimates is required to meet anticipated needs during such marketing year, taking into consideration domestic requirements, export demand, food aid needs, and adequate carry-over stocks.

"(c) If, after the proclamation of a national marketing quota for wheat or feed grains for any marketing year, the Secretary determines that the national marketing quota should be terminated or increased to meet a national emergency or a material increase in the demand for wheat or feed grains, the national marketing quota shall be increased or terminated by the Secretary.

"FARM MARKETING QUOTAS

"Sec. 512. (a) For each marketing year for wheat or feed grains for which a national marketing quota has been proclaimed under section 511 of this title, the Secretary shall establish farm marketing quotas in accordance with this section.

"(b) The Secretary shall establish a marketing quota apportionment factor for each wheat or feed grain marketing year for which a national marketing quota is proclaimed under section 511. The marketing quota apportionment factor shall be determined by dividing the national marketing quota for such marketing year for wheat or feed grains by the product obtained by multiplying (1) the Secretary's estimate of the average of the then current program yields for wheat or feed grains assigned to each farm by (2) the total of each farm's then current wheat or feed grain crop acreage base.

"(c) The Secretary shall assign a farm marketing quota to each farm with a wheat or feed grain crop acreage base of fifteen acres or more for the crop involved by multiplying the marketing quota apportionment factor determined under subsection (1) of this section by the product obtained by multiplying (1) such farm's then current program yield for wheat or feed grains by (2) such farm's then current wheat or feed grain crop acreage base.

"(d) Farm marketing quotas shall be established by the Secretary under this section by June 1 of the calendar year preceding the marketing year for which a national

marketing quota has been proclaimed under this title, except that in the case of the 1986 and 1987 crops, such quotas shall be established as soon as practicable after the enactment of the Food Security Act of 1985, but not later than January 1, 1986.

"PROCLAMATION OF WHEAT AND FEED GRAINS NATIONAL PRODUCTION ACREAGES

"Sec. 513. (a) If a national marketing quota has been proclaimed for any wheat or feed grain marketing year under section 511 of this title, the Secretary shall proclaim a wheat or feed grain national production acreage for the crop of wheat or feed grains covered by such marketing year on the date that such national marketing quota is proclaimed.

"(b) The amount of the national production acreage for any crop of wheat or feed grains shall be the number of wheat or feed grain acres that the Secretary determines on the basis of the projected national yield and expected underplantings (acreage other than acreage not harvested because of program incentives) of the farm production acreages for such crop will produce an amount of wheat or feed grains equal to the national marketing quota for the commodity for the marketing year for such crop.

"(c) If, after the proclamation of the national production acreage for wheat or feed grains for any crop, the Secretary determines that the national production acreage should be terminated or increased to meet a national emergency or a material increase in the demand for wheat or feed grains, the national production acreage shall be increased or terminated by the Secretary.

"FARM PRODUCTION ACREAGES

"Sec. 514. (a) The national production acreage determined under section 513 of this title for a crop of wheat or feed grain shall be apportioned by the Secretary among farms in accordance with this section.

"(b) The Secretary shall establish a production acreage apportionment factor for each crop of wheat or feed grains for which a national production acreage is determined. The production acreage apportionment factor shall be determined by dividing the national production acreage for such crop of wheat or feed grains by the total of the acres of wheat or feed grains included in each farm's wheat or feed grain crop acreage base, as determined under title VI of this Act.

"(c) The Secretary shall determine the wheat or feed grain farm production acreage for each farm (with a crop acreage base for the commodity and crop involved of fifteen acres or more on which wheat or feed grains are produced by multiplying the production acreage apportionment factor determined under subsection (b) of this section by the farm's wheat or feed grain crop acreage base.

"(d) Notwithstanding the provisions of subsection (c) of this section, the farm production acreage for each farm—

"(1) in the case of each crop of wheat, shall be equal to 65 per centum of the farm's crop acreage base for wheat, unless the Secretary estimates that, by the end of the marketing year for that crop of wheat, ending stocks of wheat will be equal to or less than the domestic consumption of wheat for the marketing year; and

"(2) in the case of each crop of feed grains, shall be equal to 80 per centum of the farm's acreage base for feed grains, unless the Secretary estimates that, by the end of the marketing year for that crop of

feed grains, ending stocks of feed grains will be 10 per centum or less of the total use of feed grains for the marketing year.

"(e) Subject to the provisions of section 535(b) of this title, whenever a wheat or feed grain production acreage for a crop is established for a farm, other than for a crop which the producers on the farm uses for on-farm feeding purposes and which the producers on the farm certify in writing will be used exclusively for on-farm feeding purposes during the period for which a national production acreage is in effect, under this section, the producers on the farm may not plant an acreage on the farm to the commodity for harvest for the crop in excess of the farm's production acreage for the commodity; and with respect to farms with a crop acreage base for the commodity and crop involved of less than fifteen acres, producers on the farm may not plant an acreage on the farm to the commodity for harvest for the crop in excess of fifteen acres.

"REFERENDA

"Sec. 515. (a) If national marketing quotas for wheat, feed grains, or both wheat and feed grains for two marketing years, are proclaimed under section 511 of this title, the Secretary shall, not later than July 1 of the calendar year in which such national marketing quotas are proclaimed, conduct a referendum by secret ballot of wheat and feed grain producers to determine whether they favor or oppose marketing quotas and production acreages for the marketing years and crops for which proclaimed. In the case of the 1986 and 1987 crops, the referendum shall be conducted as soon as practicable after the date of enactment of the Food Security Act of 1985, but not later than February 1, 1986.

"(b) Any producer with a wheat or feed grain crop acreage base of fifteen or more acres for the then current crop, as determined under the title VI of this Act, shall be eligible to vote in the referendum. For purposes of this section, the term 'producer' shall include any person who is entitled to share in a crop of the commodity, or the proceeds thereof, because the person shares in the risks of production of the crop as an owner, landlord, tenant, or sharecropper. A landlord whose return from the crop is fixed regardless of the amount of the crop produced shall not be considered a producer.

"(c) The Secretary shall proclaim the results of any referendum held hereunder within fifteen days after the date of such referendum and if the Secretary determines that 60 per centum or more of the producers of wheat and feed grains (including 50 per centum or more of the producers of wheat and 50 per centum or more of the producers of feed grains) voting in the referendum voted for marketing quotas and production acreages, the Secretary shall proclaim that marketing quotas and production acreages will be in effect with respect to the crops of wheat or feed grains, or both, produced for harvest in the two calendar years following the year in which the referendum is held (or in the case of the referendum held no later than February 1, 1986, for crops harvested in 1986 and 1987).

"(d) In the event that marketing quotas and production acreages are approved with respect to the 1986 crop of wheat or feed grains, the Secretary shall provide fair and equitable compensation to producers who planted a crop in excess of their farm production acreage prior to the proclamation by the Secretary that marketing quotas and production acreages will be in effect with re-

spect to that crop. Such compensation shall cover at a minimum the costs incurred by producers for planting such crop, as determined by the Secretary.

"(e) If the Secretary determines that 60 per centum or more of the producers of wheat and feed grains (including 50 per centum or more of the producers of wheat and 50 per centum or more of the producers of feed grains) voting in a referendum approved marketing quotas and production acreages for a period of two marketing years, no referendum shall be held for the next year of such period.

"(f) If marketing quotas and production acreages are not approved by producers in a referendum as provided under this section, with respect to the crops harvested in the succeeding year, in lieu of such marketing quotas and production acreages, the Secretary shall provide such loans, purchases, payments, and other assistance to producers of wheat and feed grains as provided elsewhere in this Act.

"LOANS AND PURCHASES

"Sec. 516. (a) If producers of wheat and feed grains approve marketing quotas and production acreages, as provided in section 515 of this title, loans and purchases shall be made available to producers as provided in sections 105C and 107D of this Act, except that the minimum loan rates for the crops of wheat or feed grains with respect to which marketing quotas and production acreages are in effect—

"(1) in the case of wheat, shall be not less than \$5.03 per bushel for the 1986 crop, and, for each of the 1987 through 1991 crops of wheat, shall be not less than a level that represents an increase of two parity index points over the previous crop's minimum loan level, or the level provided in the following table, whichever is less:

"for the 1987 crop.....	\$5.17 per bushel
for the 1988 crop.....	5.31 per bushel
for the 1989 crop.....	5.45 per bushel
for the 1990 crop.....	5.59 per bushel
for the 1991 crop.....	5.73 per bushel.

"(2) in the case of corn, shall be not less than \$3.49 per bushel of corn for the 1986 crop, and, for the 1987 through 1991 crops, shall be not less than a level that represents an increase of two parity index points over the previous crop's minimum loan level, or the level provided in the following table, whichever is less:

"for the 1987 crop.....	\$3.59 per bushel
for the 1988 crop.....	3.69 per bushel
for the 1989 crop.....	3.79 per bushel
for the 1990 crop.....	3.89 per bushel
for the 1991 crop.....	3.99 per bushel.

"(3) in the case of feed grains other than corn, for each of the 1986 through 1991 crops, shall be such rate as the Secretary determines fair and reasonable in relation to the rate at which loans are made available for corn.

"(b) Loans referred to in subsection (a) shall not be subject to the limitation on nonrecourse loans set forth in section 405(b) of this Act.

"MARKETING CERTIFICATES

"Sec. 531. (a) At the time a producer of wheat or feed grains is assigned a farm marketing quota under section 512 of this title for any marketing year, the Secretary shall issue a marketing certificate to such producer for the crop of such commodity covered by such marketing year. The Secretary shall also issue marketing certificates to producers with a wheat or feed grain crop acreage base of less than 15 acres (producers not assigned a farm marketing quota) for such commodities to be produced on such crop

acreage base for the crop covered by such marketing year.

"(b) A marketing certificate applicable to a marketing year issued to a producer of wheat or feed grains shall authorize such producer to market, barter, or donate, during such marketing year, an amount of such commodity equal to the farm marketing quota assigned to such producer (or, in the case of a producer not assigned a marketing quota because the producer's crop acreage base for the commodity crop is less than 15 acres, an amount of such commodity equal to the producer's production of the commodity on the acreage—if the acreage is less than fifteen acres—planted to the commodity for harvest.

"(c) The Secretary shall adjust the amount of wheat or feed grains that may be marketed, bartered, or donated under a marketing certificate to reflect the amount of such commodity that will be used for feed, human consumption, or other purposes on the farm of the producer.

"(d) If for any crop, the wheat or feed grains that the producer harvests exceeds the amount of the commodity that may be marketed, bartered, or donated under a marketing certificate, the surplus amount of such commodity may be used for feed, human consumption, or other purposes on the farm of the producer, or may be carried over by the producer from one marketing year to the succeeding marketing year and may be marketed without penalty imposed under section 532 of this subtitle in the succeeding marketing year to the extent that (1) the total amount of such commodity available for marketing from the farm in the marketing year from which such commodity is carried over does not exceed the farm marketing quota, and (2) the total amount of such commodity available for marketing in the succeeding marketing year (that is, the sum of the amount of such commodity carried over and the amount of such commodity produced on the farm subject to a farm marketing quota in the succeeding marketing year) does not exceed the farm marketing quota for the succeeding marketing year.

"(e) Wheat or feed grains harvested in a calendar year in which marketing quotas are in effect for the marketing year beginning therein shall be subject to such quotas even though such commodity is marketed prior to the date on which such marketing year begins.

"(f) A person may not purchase or otherwise acquire an amount of a commodity from a producer in excess of the amount of the commodity that may be marketed, bartered, or donated by such producer under a marketing certificate.

"(g) If marketing quotas for a commodity are not in effect for any marketing year, all previous marketing certificates applicable to such commodity shall be terminated, effective as of the first day of such marketing year.

"PENALTIES

"Sec. 532. (a)(1) Except as provided in subsection (b) of this section, if a producer fails to comply with any term or condition of a program conducted under this title, the producer shall be ineligible for any loan, purchase, or payment authorized under this Act.

"(2) Except as provided in subsection (c) of this section, if a producer markets, barter, or donates a commodity without a marketing certificate required under section 532 of this subtitle or markets, barter, or donates an amount of a commodity for use in

excess of the amount of the commodity the producer is permitted to market, barter, or donate under such certificate, the Secretary shall—

"(A) assess a civil penalty against such producer in an amount equal to three times the current minimum loan rate for the commodity so marketed, bartered, or donated; or

"(B) decrease the number of acres of the producer's wheat or feed grain crop acreage base such producer may devote to production under section 514 of this title for the succeeding crop of the commodity by a number of acres that, if planted, would result in the production of a quantity sufficient to satisfy the penalty referred to in subparagraph (A) of this paragraph.

"(3) If a person knowingly purchases or otherwise acquires an amount of a commodity from a producer in excess of the amount of the commodity that may be marketed, bartered, or donated by such producer under a marketing certificate issued under section 531 of this subtitle, the Secretary shall assess a civil penalty against such person in an amount equal to three times the current minimum loan rate for the commodities so purchased or acquired.

"(b) If a producer fails to comply fully with the terms and conditions of a program conducted under this title and the Secretary believes the failure should not preclude the making of loans, purchases, or payments to the producer, the Secretary may make loans, purchases, or payments in such amounts as the Secretary determines to be equitable in relation to the severity of the program violation.

"(c) If the Secretary determines that the penalties provided for in subsection (a) of this section are not warranted by the severity of the program violation, the Secretary may reduce or waive such penalties.

"(d) Penalties collected under this section shall be deposited into the account of the Commodity Credit Corporation.

"TRANSFER OF FARM MARKETING QUOTAS

"Sec. 534. Farm marketing quotas assigned to a farm under this title generally shall not be transferable, but, in accordance with regulations prescribed by the Secretary for such purpose, the farm marketing quota assigned to a farm for any marketing year, or any portion thereof, may be voluntarily surrendered to the Secretary by the producer, and the Secretary may reallocate the amount of any farm marketing quotas so surrendered to other farms having farm marketing quotas on such basis as the Secretary may determine.

"CONSERVATION OF ACREAGE REMOVED FROM PRODUCTION

"Sec. 535. (a) A producer of a commodity shall devote to approved conservation use all acreage of the farm's wheat or feed grain crop acreage base that may not be devoted to the production of the commodity involved under the rules applicable to farm production acreages under sections 514 and 524 of this title.

"(b) The Secretary may make such adjustments in the amount of such acreage removed from production as the Secretary determines necessary to correct for abnormal factors affecting production and to give due consideration to tillable acreage, crop-rotation practices, types of soil, soil and water conservation measures, topography, and such other factors as the Secretary determines appropriate.

"(c) Regulations issued by the Secretary under this section with respect to acreage

required to be devoted to conservation uses shall require appropriate measures to protect such acreage against noxious weeds and wind and water erosion.

"(d)(1) Any acreage removed from production may be devoted to wildlife food plots or wildlife habitats in conformity with standards established by the Secretary in consultation with wildlife agencies.

"(2) The Secretary may pay such amount as the Secretary considers appropriate of the cost of the practices designed to carry out the purposes of paragraph (1) of this subsection.

"(3) The Secretary may provide for an additional payment on such acreage in an amount determined by the Secretary to be appropriate in relation to the benefit to the general public if the producer agrees to permit, without other compensation, access to all or such portion of the farm, as the Secretary may prescribe, by the general public for hunting, trapping, fishing, and hiking, subject to applicable State and Federal regulations.

"(e)(1) A producer of a commodity shall execute an agreement with the Secretary that describes the means the producer will use to comply with this section not later than such date as the Secretary may prescribe.

"(2) The Secretary may, by mutual agreement with such producer, terminate or modify any such agreement if the Secretary determines such action necessary because of an emergency created by drought or other disaster or to prevent or alleviate a shortage in the supply of agricultural commodities.

"REGULATIONS

"SEC. 536. The Secretary may issue such regulations as the Secretary determines necessary to carry out this title.

"COMMODITY CREDIT CORPORATION

"SEC. 537. The Secretary shall carry out the program authorized by this title through the Commodity Credit Corporation.

"ADMINISTRATIVE PROVISIONS

"SEC. 538. The provisions of sections 361, 362, 363, 364, 365, 366, 367, 368, 372(d), 373, 374, 375, and 376 of the Agricultural Adjustment Act of 1938, as amended by section 452 of the Food Security Act of 1985, shall apply to the programs in effect under this title for any of the 1986 through 1991 crops of wheat and feed grains."

"LIMITATION ON IMPORTS

"SEC. 539. If imports of grain or processed grain threaten to render ineffective, or materially interfere with, the national marketing quota program, Congress expects the Secretary will take appropriate action available under section 22 of the Agricultural Adjustment Act of 1933 as is necessary in order that such imports will not render ineffective or materially interfere with this program."

—Page 458, strike out lines 17 and 18, and insert in lieu thereof the following:

(1) the term "porcine animal" means a swine which is sold—

(A) at less than 100 pounds as a feeder pig;
(B) for breeding purposes as seedstock; or
(C) for slaughter not later than 30 days after sale as a market hog.

Page 460, strike out lines 23 and 24, and page 461, strike out lines 1 and 2.

Page 461, line 10, strike out "90" and insert in lieu thereof "45".

Page 462, strike out line 6 and all that follows through line 19, and insert in lieu thereof the following:

"(b)(1) The initial order described in section 1825 shall provide for the establishment and appointment by the Secretary, not later than 30 days after the effective date of such order, of a National Pork Producers Delegate Body consisting of not more than 175 members. Nominations of pork producers for appointment to the Delegate Body shall be submitted by each State association. If a State association does not submit nominations, or if there is no State association, then the Secretary may prescribe the manner in which nominations of pork producers from such State shall be made, except that if the State in question is not one of the top twenty pork-producing States in terms of the aggregate market value of porcine animals marketed from such State in the calendar year ending immediately before the appointment of the Delegate Body is to be made, such State shall not be represented on the Delegate Body for the 1986 calendar year. Nominations of importers for appointment to the Delegate Body shall be made in the manner prescribed by the Secretary."

(2) Members of the Delegate Body first appointed shall be appointed as follows:

(A) The Secretary shall assign to each State one vote for each \$400,000 (or remaining part thereof in excess of \$200,000) of the aggregate average market value of porcine animals marketed from such State during the period of three calendar years concluded immediately before the date any member of the Delegate Body is first appointed.

(B) The Secretary shall appoint to the Delegate Body two pork producers from each State.

(C) The Secretary shall also appoint—

(i)(I) one additional pork producer from such State if the number of votes assigned to such State exceeds 300 but does not exceed 600; and

(II) two additional pork producers from such State if the number of votes assigned to such State exceeds 600; and

(ii) one additional pork producer for each 300 votes (or remaining part thereof in excess of 150 votes) assigned to such State in excess of 1,000 votes.

(D) The Secretary shall assign to importers, collectively, one vote for each \$575,000 (or remaining part thereof in excess of \$287,500) of aggregate average market value of porcine animals imported into the United States during the period of three calendar years concluded immediately before the date any member of the Delegate Body is first appointed.

(E) The Secretary shall appoint to the Delegate Body—

(i) three importers; and

(ii) one additional importer for each 300 votes

(or remaining part thereof in excess of 150 votes) assigned to importers in excess of 1,000 votes.

(3) After the expiration of the term of office of the Delegate Body first appointed, the members of the Delegate Body shall be appointed as follows:

(A) The Secretary shall assign to each State one vote for each \$1,000 (or remaining part thereof in excess of \$500) of the aggregate amount of assessments collected under this subtitle in such State (minus refunds under section 1831), from persons described in paragraphs (1) and (2) of subsection (g), in the calendar year ending immediately before the first appointment is made to the Delegate Body for the then successive term of office of the Delegate Body.

(B) The Secretary shall appoint to the Delegate Body two pork producers from each State.

(C) The Secretary shall appoint additional pork producers from such State to the Delegate Body in the manner specified in paragraph (2)(C).

(D) The Secretary shall assign to importers, collectively, one vote for each \$1,000 (or remaining part thereof in excess of \$500) of the aggregate amount of assessments collected under this subtitle (minus refunds under Section 1831), from persons described in subsection (g)(3), in the calendar year ending immediately before the first appointment is made to the Delegate Body for the then successive term of the Delegate Body.

(E) The Secretary shall appoint importers to the Delegate Body in the manner specified in paragraph (2)(E).

(4) For purposes of satisfying the numerical limitation imposed by paragraph (1) on the total membership of the Delegate Body, the Secretary shall reduce pro rata the applicable number of members authorized to be appointed under subparagraphs (C) and (E) of paragraph (2) or (3), as the case may be.

(5)(A) Members of the Delegate Body shall serve for a term of one year. The term of office of members first appointed shall begin on the same day.

(B) A vacancy on the Delegate Body arising before the expiration of the term for which a member was appointed shall be filled in the same manner as the original appointment was made, except that such appointment shall be made only for the unexpired part of such term.

(6)(A) The number of members of the Delegate Body who hold a majority of the aggregate number of votes assigned under paragraph (2) or (3), as the case may be, shall constitute a quorum.

(B) Members of the Delegate Body may vote only in person.

(C) The Delegate Body may act only by the majority of votes (including fractions) cast, a quorum being present.

(D) Each pork producer from a State shall be entitled to cast a per capita share (including fractions) of the aggregate number of votes assigned under paragraph (2) or (3), as the case may be, to such State.

(E) Each importer shall be entitled to cast a per capita share (including fractions) of the aggregate number of votes assigned under paragraph (2) or (3), as the case may be, to all importers.

Page 463, line 3, strike out "pork producer".

Page 463, beginning on line 16, strike out "The Board" and all that follows through the period on line 21, and insert in lieu thereof the following:

The Board shall consist of members who are appointed as follows:

(A) One pork producer member shall be appointed from each State.

(B) One additional pork producer member shall be appointed from each State for each multiple of 11,000,000 porcine animals marketed, determined on the basis of the annual average number of porcine animals marketed in the most recent period of three calendar years occurring before the date of appointment.

(C) One importer shall be appointed.

(D) The Secretary shall appoint these persons from nominations submitted in the same fashion as nominations for members of the Delegate Body pursuant to section 1827(b)(1).

Page 467, strike out lines 5 through 9, and insert in lieu thereof the following:

(1) each producer for each porcine animal described in subparagraph (A) or (C) of section 1823(1) that is sold,

(2) each producer for each porcine animal described in subparagraph (B) of section 1823(1) or who produces or processes pork or pork products from that producer's own porcine animals; and

(3) each importer for each imported porcine animal, pork, or pork product;

Page 467, line 13, strike out "animals" and insert in lieu thereof "animal of the same category described in section 1823(1) (A), (B) or (C)".

Page 467, line 14, strike out "three-tenths" and insert in lieu thereof "one-fourth".

Page 468, strike out line 6 and all that follows through line 24, and insert in lieu thereof the following:

(1) From 60 percent of the aggregate amount of assessments collected under this subtitle, each State association shall receive an amount equal to the product of—

(A) the aggregate amount of assessments collected in such State (minus refunds under section 1831) from persons described in paragraphs (1) and (2) of subsection (g); and

(B) a percentage, as determined by the Delegate Body;

to use for financing promotion, research, and consumer information plans or projects and for the administrative expenses incurred by such association in connection with such plans and projects.

(2) The National Pork Producers Council, a non-profit corporation of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 and incorporated in the State of Iowa, shall receive the remaining amount available for distribution under paragraph (1) but not so distributed, to use for financing promotion, research, and consumer information plans or projects and for the administrative expenses incurred by the

Council in connection with such plans and projects.

(3) The Committee shall receive 40 percent of the aggregate amount of assessments collected under this subtitle, to use for—

Page 472, line 18, strike out "of the enactment of this Act" and insert in lieu thereof: "upon which assessment commences pursuant to section 1826(g)".

Page 472, line 21, strike out "a year," and insert in lieu thereof the following: "annually, and importers who in such period have imported annually the equivalent of at least 50 porcine animals or five metric tons of pork or pork products,".

Page 472, line 25, insert "and importers" after "producers".

Page 473, line 1, insert "and importers" after "producers".

Page 473, line 18, insert "(1) Except as provided in paragraph (2)," after "(b)".

Page 473, line 20, insert "and importers" after "producers".

Page 473, line 23, insert "and importers" after "producers".

Page 473, line 24, insert "and importers" after "producers".

Page 474, line 3, insert "and importers" after "producers".

Page 474, lines 5 and 6, strike out "a year" and insert in lieu thereof the following: "annually, and importers who in such period have imported annually the equivalent of at least 50 porcine animals or five metric tons of pork or pork products,".

Page 474, after line 7, insert the following new paragraph:

"(2) The Secretary shall not be required by paragraph (1) to conduct more than one referendum under this subtitle in any 2-year period."

Page 474, after line 10, insert the following new section (and redesignate references and succeeding sections accordingly).

REFUND

Sec. 1831. Notwithstanding any other provision of this subtitle, any person responsi-

ble for paying an assessment pursuant to section 1827(g) which becomes payable before approval of continuation of the order pursuant to the referendum required under section 1829(a) and who is not in favor of supporting the program set forth in this subtitle shall have the right to demand and receive from the Committee a refund of such assessment if such demand shall be made in accordance with regulations and on a form and within a time period prescribed by the Committee and approved by the Secretary, but not later than 30 days after the end of the month in which the assessment was paid. Such refund shall be made not later than 30 days after demand is received therefor, upon submission of proof satisfactory to the Committee that the person paid the assessment for which refund is sought and did not collect such assessment from another person.

—Page 318, strike out lines 11 through 19, and insert in lieu thereof the following:

"(C) The Secretary shall, with respect to leasing and operating such real property, not lease or operate the real property for the production of agricultural commodities, and shall devote that property to conserving uses;"

By Mr. WEAVER:

—Page 115, line 19, insert "or for export" after "domestically".

Page 115, lines 22 and 23, strike out ", or may be sold for export".

Page 117, line 9, strike out the comma and all that follows thereafter through line 11 and insert in lieu thereof a period.

Page 120, lines 19 and 20, insert "or for export" after "domestically".

Page 120, line 23, strike out ", or may be sold for export".

Page 122, line 9, strike out the comma and all that follows thereafter through line 11 and insert in lieu thereof a period.

—Page 115, line 25, insert "not" after "shall".

Page 120, line 25, insert "not" after "shall".